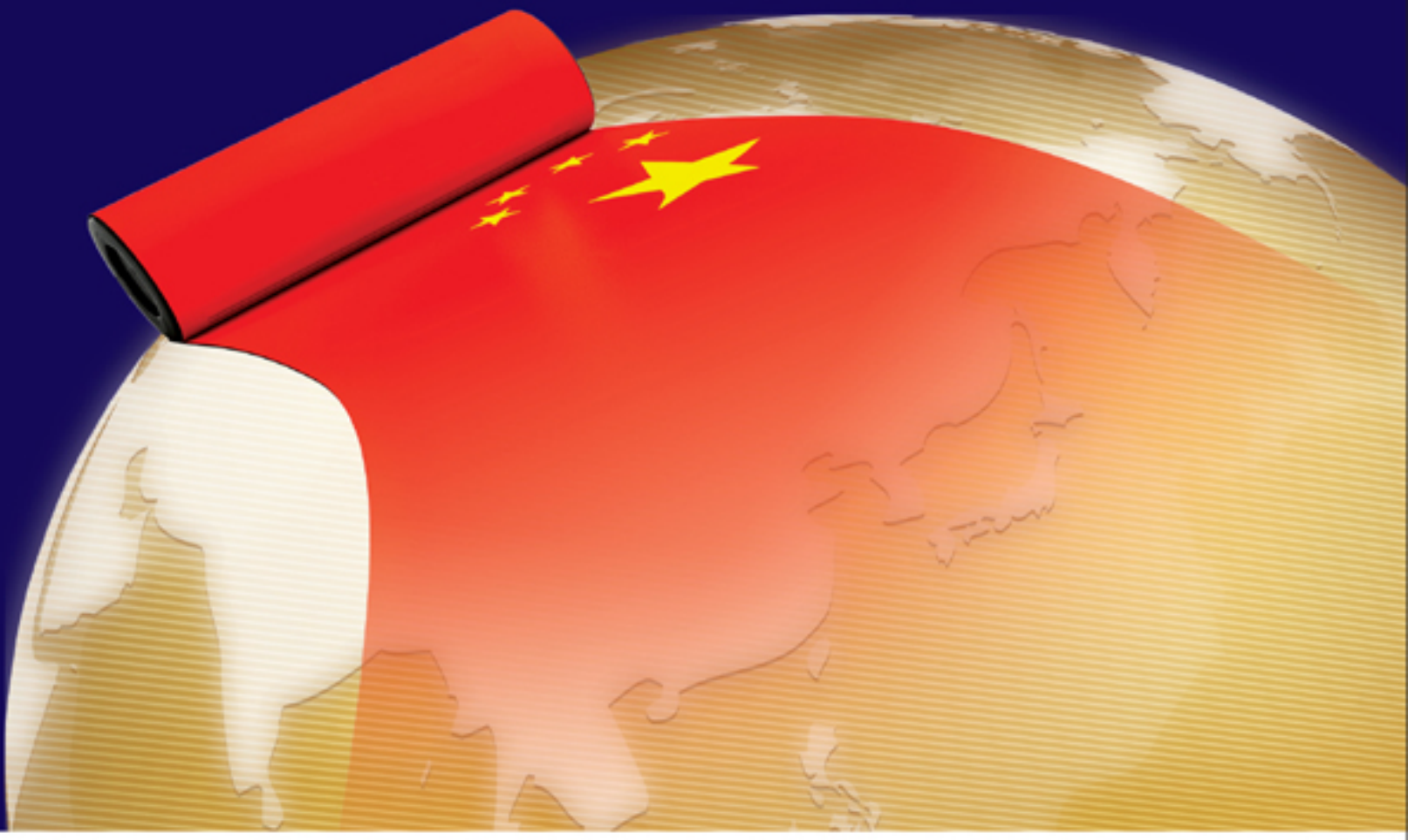
ZHANG WEIWEI

THE CHINA HORIZON

GLORY AND DREAM OF A CIVILIZATIONAL STATE



World Century

THE CHINA HORIZON

GLORY AND DREAM OF A CIVILIZATIONAL STATE

THE CHINA HORIZON

GLORY AND DREAM OF A CIVILIZATIONAL STATE

ZHANG WEIWEI

Fudan University & Shanghai Academy of Social Sciences, China

World Century

Published by

World Century Publishing Corporation
27 Warren Street, Suite 401-402, Hackensack, NJ 07601

Library of Congress Cataloging-in-Publication Data
Names: Zhang, Wei-Wei, 1957–
Title: The China horizon : glory and dream of a civilizational state / Weiwei Zhang (Fudan University, China & Shanghai Academy of Social Sciences, China).
Other titles: Zhongguo chao yue. English
Description: Hoboken, N.J. : World Century, 2016. | Translation of: Zhongguo chao yue. | Includes bibliographical references and index.
Identifiers: LCCN 2015050068| ISBN 9781938134722 (hc : alk. paper) | ISBN 9781938134739 (pbk : alk. paper)
Subjects: LCSH: China--Politics and government--2002– | China--Economic policy--2000– | China--Foreign relations--21st century. | National characteristics, Chinese.
Classification: LCC DS779.47 .Z422813 2016 | DDC 951.06/12--dc23
LC record available at http://lccn.loc.gov/2015050068

British Library Cataloguing-in-Publication Data
A catalogue record for this book is available from the British Library.

Originally published in Chinese by Horizon Media Co. Ltd., 2014

Copyright © 2016 by World Century Publishing Corporation Published by arrangement with Shanghai Century Publishing Co. Ltd.

All rights reserved. This book, or parts thereof, may not be reproduced in any form or by any means, electronic or mechanical, including photocopying, recording or any information storage and retrieval system now known or to be invented, without written permission from the publisher.

For photocopying of material in this volume, please pay a copying fee through the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, USA. In this case permission to photocopy is not required from the publisher.

Desk Editors: Chandrima Maitra/Qi Xiao

Typeset by Stallion Press
Email: enquiries@stallionpress.com

Printed in Singapore

CONTENTS

Preface to the English Edition and Acknowledgments

About the Author

Introduction

Chapter 1: From Catching-Up to Surpassing

1.1 "Going Abroad Makes One More Patriotic"
1.2 Sino-American Summit Revisited
1.3 Answering Zakaria's Question
1.4 A High-Quality Growth
1.5 The Relative Strengths of China and the United States

Chapter 2: From Myth to Truth

2.1 The Emperor's New Clothes?
2.2 What's Gone Wrong with the American Dream?
2.3 Reflections on the Western Model
2.4 Diagnosing the Western Institutional Weaknesses
2.5 The Three "Genetic Defects"

Chapter 3: Beyond the Western Institutions

3.1 A Memory of Deng Xiaoping and His China Model
3.2 The Logic of the China Model
3.3 Institutional Edge: Equilibrium of Three Powers
3.4 The Institutional Arrangements of a Civilizational State

Chapter 4: A New Political Discourse

4.1 Constructing the Chinese Discourse
4.2 My Talk on the China Model at Oxford
4.3 Universal Values or Universal Predicament?
4.4 From Arab Spring to China's Rise

Chapter 5: Glory and Dream of a Civilizational State

5.1 Glory: Yesterday and Today
5.2 The Horizon of the Chinese Dream
5.3 Three Aspects of the Chinese Dream
5.4 Overtaking: Some Ideas and Practices

Conclusion: The Logic of a Civilizational State

Index

PREFACE TO THE ENGLISH EDITION AND ACKNOWLEDGMENTS

This book is a product of my intellectual journey over the past 20 or so years and the last book of my China Trilogy, the other two being *The China Ripple* (*zhongguo chudong*) in Chinese and *The China Wave* (*zhongguo zhenhan*) in Chinese as well as English (published also by the World Century). *The China Wave* is a bestseller in China since its publication in 2011, and this book, *The China Horizon* (*zhongguo chaoyue*), continues and expands the theme of *The China Wave* to discuss China's dramatic rise, the China model of development and China's political narrative, but with particular focus on China's efforts and achievements in catching-up with and surpassing the West, especially the United States, in various areas and in moving beyond the Western political, economic and social models.

Like the other two books of the China Trilogy, *The China Horizon* was written in Chinese and meant for Chinese readers, rather than the international audience. As huge linguistic and cultural differences exist between the Chinese and English languages, the English edition of *The China Horizon* requires unusual effort beyond mere translation. I wrote four years ago while working on the English edition of *The China Wave*: "I was

courageous enough to undertake the difficult task of translating the book myself, as I thought this might ensure a more accurate rendition of my ideas contained in the book, but it soon occurred to me that this was indeed a daunting challenge: in addition to the due date set by my publisher, it was also an uphill struggle to render a book essentially for a Chinese audience into one for an international audience." These are exactly the same challenges to me now as four years ago.

I have therefore adopted the same 70/30 approach as last time, i.e. roughly 70% of the work is to translate the original, and the remaining 30% essentially to revise or even rewrite in order to make the book more accessible to non-Chinese readers whose cultural background and topics of interest often differ widely from their Chinese counterparts, and in the same vein, I have highlighted those topics of particular interest to the international audience, such as China's political system, the Chinese perception of the Western institutions as well as how the Chinese Dream compares with the American Dream.

I owe an intellectual debt to many people, and it is impossible to mention all of them, but I should still thank particularly those individuals who have shared their perspectives with me on various issues discussed at length in the book. They include Eric Li and Jin Zhongwei of the Chunqiu Institute, Shi Zhengfu, Chen Ping and Su Changhe of Fudan University, Pan Wei of Peking University, Hu Angang of Tsinghua University, Wang Shaoguang of Hong Kong Chinese University, Wang Zhan and Huang Renwei of the Shanghai Academy of Social Sciences, Rana Mittar of Oxford University, Robert Kuhn, the author of *How China's Leaders Think*, Martin Jacques, the author of *When China Rules the World*, Nathan Gardels of the *Worldpost*, as well as Stephen Rachter of the Globalist online magazine.

I would also like to express my particular gratitude to Qi Xiao and Chandrima Maitra at World Scientific and World Century for their conscientious effort in editing and publishing this book. My sincere thanks also go to Chen Xin, Shi Hongjun, Cai Xin and Yuan Xiaolin of Shanghai Century Publishing for their publication of the book in Chinese. I should thank warmly Pan Xiaoli for her linguistic counsel, Zhang Xueying for compiling the book's index and Chen Kangling for his administrative and other assistance. My heartfelt thanks, as always, go to my wife Hui-Hui and my son Marco Yi-Zhou for their unfailing understanding and support.

I am alone, however, responsible for any errors that may appear in this book.

Zhang Weiwei
zhangweiweiyes@yahoo.com
Shanghai, October 1, 2015

ABOUT THE AUTHOR

ZHANG Weiwei is a distinguished professor of International Relations and Dean of the China Institute, Fudan University, and he is concurrently Director of the Institute of China Studies at the Shanghai Academy of Social Sciences, a board member of China's National Think Tanks Council and a senior fellow at the Chunqiu Institute.

He holds a Ph.D. in International Relations from Geneva University.

A former visiting fellow at Oxford, he was professor of International Relations at the Geneva School of Diplomacy and International Relations and senior research fellow at the Centre for Asian Studies, Geneva University.

He had worked as a senior English interpreter for Deng Xiaoping and other Chinese leaders in the mid-1980s. He has traveled to over 100 countries.

He is the author of the best-selling and award-winning "China Trilogy" (published by the Shanghai People's Press) of *Zhongguo Chudong* (*The*

China Ripple), *Zhongguo Zhenhan* (*The China Wave*) and *Zhongguo Chaoyue* (*The China Horizon*, and the English editions of the latter two were published by World Century, New Jersey, in 2012 and 2016, respectively).

His other works include *Ideology and Economic Reform under Deng Xiaoping* (Kegan Paul, London, 1996), *Transforming China: Economic Reform and Its Political Implications* (Macmillan, London and St. Martins, New York, 2000) and *Reshaping Cross-Strait Relations: Ideas and Reflections* (CAS, Geneva, 2006).

He has written extensively in Chinese and English on China's political and economic reforms, the China model of development, China's foreign policy and comparative political governance.

INTRODUCTION

The China Ripple (*Zhongguo Chudong*) is my first book of reflections on the rise of China after having visited more than 100 countries over the past 20 years, in which I wrote, "the rise of China has touched the world and this trend will continue." *The China Wave* (*Zhongguo Zhenhan*) is my second book of reflections in which I argued: "… China, following a model not endorsed by the West, stuns the world with its rapid reemergence, and this is the rise of a civilizational state, which has amalgamated 5,000-years continuous civilization with a super-large modern state, and it is the rise of a new model of development and a new political discourse, and all this may well usher in a new round of unprecedented changes in human history."

The two books are extremely well-received by the Chinese readers, and particularly the popularity of *The China Wave* has exceeded my expectations. Some commentators even remarked that "*The China Wave* has impacted the whole nation."[1] For me, this is an exaggeration, yet I know the book has influenced many people in China, and it also shows that many Chinese indeed share my views and concerns. At a time of unprecedented changes both in China and across the world, I feel honored that my works can inspire so many people.

Now, I present my third book *The China Horizon* (*Zhongguo Chaoyue*) to my readers, which is, like the previous two, based on my reflections from visiting so many countries. Held back by stereotyped Eurocentric

narratives, some Chinese are unable to think critically of the prevailing Western perspectives, let alone to think that a world beyond the Western model is possible. On my part, having lived in the West for over 20 years and having visited all the Western countries, I can say with certainty that China is fast catching-up with the West and overtaking the West in many areas, and has moved decisively beyond the Western political, economic and social models.

Specifically, this book focuses more on discussing China's growing strength vs. the United States and the US model, notably in terms of overall GDP, net household assets, social safety net, scientific and technological innovation, institutional arrangements and political system. In some areas, China has already done better. In some others, it will be the case in a not too distant future, and in some other areas, China may ultimately achieve this objective.

What's more significant is China's relative strength in its institutional arrangements, which seem to be working better than the American ones now. To me, the essence of good governance and good institutional arrangements for a modern state lies to what extent they can ensure an equilibrium of the three powers — political, social and capital — to act in favor of the interests of the overwhelming majority of its population. The reason why the American Dream has lost its allure over the past two decades is largely due to the fact that the capital power has grown to such an extent that it casts too overwhelming a shadow over the political and social powers in the United States.

The China model is by no means perfect, but the equilibrium of the three powers reached so far proves to have benefitted the vast majority of the Chinese population. This is the main reason why China's reemergence has been not only fast but also largely smooth over the past three decades, and the living standards of most Chinese have vastly improved. This logic allows one to infer further that should the United States and China continue with their current political systems, the prospect of the Chinese Dream will be brighter than the American one.

This trilogy of *The China Ripple*, *The China Wave* and *The China Horizon* is an account of my intellectual journey over these years, and the three books have evolved around one central theme, i.e. Chinese should assess and discuss Chinese affairs and world affairs from China's own perspective, outlook and political narratives. It is hoped that the ideas

contained in this trilogy will promote more vigorous discussion on and construction of a new, dynamic and comprehensive political discourse for this nation, making its dramatic rise more understandable not only to the Chinese but also to the people of other nations.

China is the world's longest continuous civilization with unparalleled cultural richness, diversity and complexity. For the better part of the past 2,000 years, China was a more advanced country than European ones. It is only in modern times that China began to lag behind. China has since set its century-long objectives to return to the preeminent status of the world's leading nations that it had enjoyed for long. The country has achieved great successes in this regard, and this Chinese sense of glory and dream distinguishes the country from most other nations in the world.

China's extraordinary rise is in many ways rooted in its treasured cultural traditions, especially the teachings and the wisdoms of China's ancient sages such as Confucius, Mencius, Laozi, Zhuangzi, Mozi, Xunzi and Sunzi; China's rise is inseparable from the fact that the country has gained its independence and sovereignty after century-long hard-won struggles and sacrifice of tens of millions of lives, and this rise is also achieved on the basis of extensive interactions with the outside world and other civilizations. China's rise is thus unique, moving beyond the West and the Western model, not only in terms of wealth generation, but also ideas and institutional arrangements. With its own horizon for the future, China and its rise are likely to impact the future trajectory of world order. In fact, such impact has already occurred, with amazing stories unfolding every day, and more exciting ones are yet to come.

---

[1] See http://www.360doc.com/content/12/0330/18/443902_199376662.shtml.

CHAPTER 1

FROM CATCHING-UP TO SURPASSING

1.1 "Going Abroad Makes One More Patriotic"

The China Wave has been well received by the Chinese readers since its publication. As a result, I am often invited to give speeches. On such occasions, and as far as possible, I insist on having a Q&A session after my speech. I usually tell my audience: "you may raise any questions you want, the sharper the better, and if necessary, an open debate is also welcome." Is there any point of doing research on the China model if it is not amenable to questioning? Any research in this field should stand to the most rigorous questioning and examination. Not long ago, having delivered my speech on China's rise at a well-known university in Shanghai, I was asked by a teacher present, who spoke with a measured sarcastic tone: "Prof. Zhang, your lecture gives people the impression that we Chinese live a very happy life. If that's the case, why do so many Chinese want to emigrate? Could you persuade them not to do so, but to stay in China?" Some chuckles from the audience, who probably felt the trickiness of the question, I smiled and answered: "You've put the right question to the right person, for I know many Chinese emigrants in person. Rather than discouraging people to

emigrate, I would encourage them to do so, as I have made a rough estimate that among those Chinese emigrants living in the West, 70% of them, at least, have become more patriotic. Usually those who are most critical of their country at home tend to change their minds faster once they're in the West, as they tend to have too rosy a picture of the West before they go overseas and their impression of the US and Europe comes mainly from watching movies and advertisements of the Western countries, vastly out of touch with the reality in the West." I further remarked: "Going abroad often makes one more patriotic. This is far more effective than the Party's political education."

I told him then, "If you plan to emigrate to the US, I can give you a tip, as I am familiar with the city of New York. You could go there by flying from Shanghai's Pudong Airport or Hongqiao Airport and land at the Newark Airport or any of the other two airports in New York, and you may well experience a shock, a shock of traveling from a first world airport to a third world one. If you are courageous enough, I suggest that you put up one night in Newark to see whether you could walk around in the evening." I also gave him a piece of additional information: "there is a medical school in Newark, and one of my friends once studied there, and he told me that the best discipline at this school is the treatment of gunshot wounds, as there are frequent gun-fires there."

Without belittling many positive aspects of the United States, it is a truism that the United States has its share of serious problems. Yet, in China, some so-called public intellectuals have projected a flawless and perfect image of the United States upon many Chinese. I said to him, "any individual with some basic knowledge of the United States knows the fact that the country consists of 'three worlds'. If for all kinds of reasons, you fall into 'the third world' within the United States, you may well be surrounded by problems of drug abuse, looting, murder, and even street gunfire, and you may be consumed by fear and frustration."

Even if you work hard enough and finally manage to become a part of the American middle class or the second world, as many Chinese students have done, one may ask these people a few simple questions: "over the past two decades, have you experienced real income growth?" "Has your net household asset increased?" "Are you confident about your future retirement life in the United States?" I guess that negative replies may not be a small number. You may even join those Americans who press for

answers to why the American Dream does not shine anymore and you might even turn sympathetic towards the “Occupy Wall Street” movement. Of course, if you are able to become a part of the “first world” of the US, good luck! I will congratulate you, but such chance of success is likely to be much slimmer than in China.

As a matter of fact, the world has undergone tremendous changes over the past three decades: if you have lived in China in these decades, your wealth may have grown 5–10-folds; if you have emigrated to the US, your wealth may have experienced a depreciation of 1/5 or 1/4 in the aftermath of the financial crisis. It’s a heart-felt pain for many Chinese emigrants who have not only missed out the golden opportunity of China’s rapid wealth expansion but also become victims of the financial crisis, debt crisis and economic crisis. This situation dovetails with an old Chinese saying: the course of fortune often alternates every three decades.

What lies behind this sea change of fortune is a simple fact that China is rising with an unprecedented momentum and on an unprecedented scale in human history, and the wealth of the majority of Chinese have expanded fast. To be sure, such a rise comes at a cost, but it is evident that the United States has indeed not done well. Over the past 20 years, the wealth of most Americans has not increased, but decreased. Whether the United States is able to reverse this decline depends on whether it can pursue some substantial reforms. The world is changing; China is progressing; the US is backsliding. The gap between the two countries is closing up, and in certain domains China has overtaken the United States.

For a long time, the West has been the synonym of “developed nations” in the minds of most Chinese. Yet, the more Western countries I visit, the more internal gaps in the West I observe. Cases of “developed countries are not developed” abound. It is easy to find many “third world areas” within the so-called first world. In *The China Wave*, I quoted Thomas Friedman, the *New York Times* columnist, who lamented, after visiting Shanghai, Beijing and Dalian in 2008:

> I couldn’t help but reflect on how China and America have spent the last seven years: China has been preparing for the Olympics; we’ve been preparing for Al Qaeda. They’ve been building better stadiums, subways, airports, roads and parks. And we’ve been building better metal detectors, armored Humvees and pilotless drones. The difference is starting to show. Just compare arriving at La Guardia’s dumpy terminal in New York City and driving through the crumbling infrastructure into Manhattan with arriving at Shanghai’s sleek airport and taking the 220-mile-per-hour magnetic levitation train, which uses electromagnetic propulsion

> instead of steel wheels and tracks, to get to town in a blink. Then ask yourself: Who is living in the third world country?[1]

I don't think Friedman's description is far from reality. In virtually all major American cities, there are large pockets of third world areas where no outsiders dare to enter. The same is true for the peripheries of many large and medium-sized cities in France and many districts in Marseille as well as many Italian cities.

The tendency to degenerate into the "third world" status also manifests in other aspects of the Western society: in 2003 a heat wave swept over France, claiming the lives of over 10,000 elderly people. On the New Year's Eve, thousands of cars are usually burnt by the disgruntled youth in France every year. Street safety in Paris has deteriorated to such an extent that local Chinese complain about there being only two types of Chinese in Paris: those already robbed and those to be robbed. In 2005, when Hurricane Katrina hit the southern part of the US, the American relief efforts were so poorly organized that the city of New Orleans instantly degraded into a city of crimes and death. Naples, the biggest city in the southern Italy has suffered from a garbage crisis, stinking for months, and politicians there could not even reach a consensus on how to deal with it. A former leader of Italy once told me: "I have suggested to your Premier that Chinese companies may wish to purchase and manage the Rome Airport and the Italian airline." I myself also told some Greek scholars that the Greek government's competence in governance was far from satisfactory. I counseled them that some professional assistance from China may be helpful.

But within China, some so-called public intellectuals disparage their own country every day, opening and closing each of their comments with what the West is like and what China should do to model on it. This sounds strange or even ridiculous to those who have long lived in the West. In fact, both the West and China have their respective strengths and weaknesses. China should neither look up to the West nor look down on it. Rather it should look at it squarely as it is. Only in this way, can we understand the West accurately and objectively.

A recent popular saying in China goes like this: "Green mountains, clear waters in the West, but life is lonely and boring, whereas as dirty and messy as China is, life is exciting." This saying is only half true. True, most Chinese dread loneliness once abroad, but such a saying reveals only the

“beautiful” part of the West, ignoring its “dirty and messy” part, from squalors to drug abuse to high crime rate. Although, environmentally, China has paid dearly for its industrialization and modernization like all major Western countries did in the past. Yet, overall, the China model seems more efficient in addressing the wrongs than the Western model, as shown in China’s redoubled effort over the past few years in promoting solar and wind energy and electric cars in order to achieve sustainable development. China is moving decisively towards a “harmonious cosmos of the heaven and human life,” as ancient Chinese philosophers upheld. Now China has progressed from the phase of resolving the basic needs for its people to a new phase of what’s called “building a comprehensively well-off society”. With such a commitment, China’s environmental problem will be overcome in due course, and country will become “green mountains, clear waters and exciting life.”

Let us return to the emigration issue. With China’s rise, the issue will become increasingly apolitical, or in the words of Chinese writer Qian Zhongshu “fortress phenomenon” (*weicheng xianxiang*), where those outside the fortress want to enter while those inside to exit (or grass is always greener on the other side). Experiencing different ways of life in different places is already commonplace with globalization, and there is no need to read too much into it. Besides, as China is a country with the world’s largest population, any rumor can swindle large numbers of people. For instance, a rumor like “going to Iraq can make a fortune” may easily attract 100,000 people, and another rumor like “going to Afghanistan can create a fortune” may draw another 100,000 people in China. Over these years many so-called public intellectuals in China have cooked up innumerable rosy and shinning stories about the United States. No wonder many Chinese have emigrated naively assuming that the United States would provide them with “superb social welfare benefits and free medical care” without a single clue of the US legal system, low levels of social protection and strict tax regulations. After staying there for a while, they wake up to the truth and regret.

The Chinese population is so large that immigration remains a minor issue. According to official statistics, about 190,000 Chinese emigrated abroad every year from 2011 to 2013.[2] Furthermore, from my observation, most of those middle class Chinese who, for various reasons, have moved to the West, still keep most of their assets in China. They know only too

well that, in the next 20–30 years to come, China will remain the country of prime opportunities. Capital inflow into China still far exceeds capital outflow over the past few years. The size of China's foreign exchange reserves grew from US$2 trillion in 2009 to US$4 trillion in 2014, exceeding the US$1.28 trillion of Japan, the world's second largest (32% of China's).[3] Floods of overseas Chinese students have returned home. In 2012, the number of Chinese students returning from overseas hit 279,290, an increase of 46.56% over the year before, equaling 70% of the total number of those going abroad to study the same year. The year 2013 witnessed another historic level: the number of Chinese students returning to China rose to 353,500, a rise by 29.53% over that of 2012; that is, an increase of 80,600 people. In contrast, there was a 3.58% increase in those going abroad for further study.[4] Experts estimate that in the ensuing five years, China will reach a turning point where returning students will outnumber the outgoing ones. This means that China will change from a country of "brain drain" into that of "brain gain". Some people are concerned that corrupt officials may emigrate overseas. In fact, there is no need to fret about this. With China's further rise and growing influence, the blacklisted corrupt officials will be returned sooner or later, as what has happened since 2014.

Those who prefer to politicize the immigration issue might as well bear in mind the case of Taiwan, a so-called democracy for more than 20 years with a population of 23 million, less than that of Shanghai. But it is estimated that there are at least 1.5 million Taiwanese working, living, or studying in the Chinese mainland. If one has to politicize the issue, isn't this a case of "voting with one's feet"?

We could also compare the immigration issue with Chinese students studying abroad. According to statistics released by the Chinese Ministry of Education, during a 30-year period stretching from 1978 to 2013, the total number of Chinese students going abroad was 3.0586 million. Among them, 72.83% have returned home.[5] Just suppose: if the number of Chinese emigrants one day could reach the same level of the Chinese students studying abroad, there will be only 3 million people. Even if this figure triples, it is only 9 million, less than the population of Suzhou, a medium-sized city by Chinese standards near Shanghai. Whether these people will come back or stay abroad for long; whether they will retain their Chinese nationality or become naturalized citizens of other countries, it is altogether

very good to China. China's interests today are global in scope, and if some people can overcome adversities and settle down abroad, ultimately most of them are likely to contribute their bit to the cause of promoting Sino-foreign exchanges and friendship. This is great for China and for the rest of the world.

As noted in *The China Ripple*, I was once questioned by a Chinese journalist: Do you think China is now a better place to live than the United States or Europe? I replied: I have never said something like that. To say that China is better than the United States and Europe or to say that United States or Europe is better than China is simply too grand a generalization. Indeed, if you prize a country's high per capita GDP, then the Equatorial Guinea surpasses China. But as far as I know, half of the residents of its capital city have no access to tap water. If you think, as most Chinese do, that one's happiness to a great extent hinges upon home ownership, then China is better than Switzerland, as the latter's home ownership is only half of China's. If you prefer to live in a place with high degree of street safety, then China is much better than the United States. If you love European cuisine, then France beats China. If you consider the overall quality of life, then a Chinese with some wealth accumulation certainly finds life in Shanghai or Hainan Island far more comfortable than in New York or London. For a youth who is still working hard to succeed, China also offers far more opportunities than Western countries.[6]

Indeed, human history has never seen the rise of a country like China in its scale of change and abundance of opportunities. One should feel privileged to experience, partake of and bear witness to China's unfolding epic transformation. Anyone who wants to pass on this fortune and emigrate, thus giving away his or her place to other people in China and (very likely) becoming more patriotic, isn't this wonderful?

1.2 Sino-American Summit Revisited

The saying "going abroad makes one more patriotic" is also part of a personal memory. From the June 7–8, 2013, Chinese President Xi Jinping and American President Barack Obama held a unique summit at the Annenberg Estate in California. This reminds me of another summit between the two heads of state of China and the United States held 28 years

earlier, which I participated in person. How time flies! 28 years is just a fleeting moment in time. But within this time span, one cannot but marvel at the speed and the scale with which China has caught up and even in some areas surpassed the United States.[7]

It was late July, 1985 when Li Xiannian, the then President of China paid his first official visit to the United States. Li Peng, then Vice Premier of the State Council accompanied him during this visit, and I worked as Li Peng's English interpreter, thus able to witness in person this historic event. President Li Xiannian was a battle-hardened commander for the birth of the New China. After 1949, he was a leader of China's economic development: a Vice Premier for 26 years running. In 1982, he was elected into the Standing Committee of the Politburo and in 1983 to the Presidency of China. He was already 76 years old when he paid his visit to the United States. He left me with an impression not only as an experienced political leader but also an amiable individual with a dry sense of humor.

One week before our departure, all members of the Chinese delegation attended a preparatory meeting at Zhongnanhai, the headquarters of the Chinese Communist Party. The protocol chief of the Foreign Ministry briefed us on the preparation for the visit, mentioning that the quota for the Chinese participants for the formal White House dinner was 14. Li Xiannian chuckled, "If that is the case, you should all go, and I will stay at home." When told that we should wear Chinese tunic suits on that occasion, Li Xiannian asked jokingly: "the United States values freedom most, why are we required to wear the same garbs?"

Let me compare the two summits now. The biggest difference between the two events is the degree of formality. President Li Xiannian's visit was the first official visit of the Chinese President to the United States. At 10 o'clock on the morning of July 21, 1985, on the south lawn to the White House, President Ronald Reagan held a grand welcoming ceremony for the Chinese President. The band played the anthems of China and the US with a 21-gun salute. Having just finished off his colon tumor operation 10 days earlier, Reagan was now presiding over the ceremony in order to show his hospitality. He was warm and friendly, using the Chinese words twice in his speech: "Huan Ying (welcome)" and "Hu Jing Hu Hui (mutual respect and mutual benefit)." Li Xiannian also made an appropriate reply: "Mr. President, I feel very happy that you are having a quick recovery and I am really moved to see you here receiving me in person."

State visits have their shining shards, for instance, grand welcoming ceremonies, full attired welcoming dinners. At that time, China really valued these rituals and formalities very much. A big nation that had just stepped out of the internal chaos caused by the Cultural Revolution and whose modernization undertaking was still in its initial phase was eager to seek respect from the outside world. True, China now still prizes rituals and formalities, but it is not burdened by them, for the country is now more confident; it does not need them anymore to prove that China is a major power with global influence. Rather, it is now more willing to hold casual and more pragmatic informal events with leaders of other nations.

Formal state visits have their strengths, but very complicated protocols and intricate rituals take away too much time and energy. During Li's visit 28 years ago, given the fact that President Reagan was recovering from his operation, only three activities were scheduled for him: the welcoming ceremony; the formal talks and the welcoming dinner. As a result, the time for the substantial bilateral discussion was very short. On the welcoming ceremony, both leaders made the shortest and simplest exchanges with each other, followed by the scripted speeches. What ensued was one-hour-and-a-half of formal talks, where half of the time was taken up by interpretation. The arrangement for the welcoming dinner was made in accordance with the American protocol: President Reagan sat with the first lady of China, Lin Jiamei, an unusually quiet woman; President Li Xiannian sat with the first lady of the United States, Nancy Reagan. I did not think that they shared a lot of common topics.

I sat at the second table, with Vice Premier Li Peng and George Bush senior, then Vice President of the US, noting that the two heads of state and their wives at the first table did not chat much. But Li Peng and Bush, without their wives around, had much to chat about, including small talks. Bush showed his fondness for China by wearing his Shanghai-brand watch and China-made tie. On top of some grand topics on international relations, they talked at length about the late Chinese Premier Zhou Enlai. Bush said that he still held grudges against Henry Kissinger because Kissinger never allowed him a chance to participate in his meetings with Zhou Enlai when he was the Director of the US Liaison Office in Beijing, and Bush said that it was his life-long regret not being able to meet Zhou Enlai in person.

Changes of formalities also reflect the changed nature of the two visits. The state visit 28 years ago was described as "the first official visit by the

head of state of the People's Republic of China to the United States", with more symbolic meaning. After a lapse of 28 years, the summit meeting between Xi and Obama was designed as a "strategic and historic meeting". President Xi raised three big questions during the meeting: "What kind of the Sino-US relations do we both want? What kind of cooperation can our two nations carry out for mutual benefit? And how can our two nations join together to promote peace and development in the world?" President Xi emphasized that "the two sides should work together to build a new type of major power relationship based on mutual respect and win–win cooperation in the common interests of the Chinese and American people and other peoples in the world."

Behind this statement is the fact that great changes have taken place in the relative strengths of China and the US. In the 1985 summit, the size of the Chinese economy was less than 1/10th of the United States. But today China is the largest economy second only to the United States. Twenty eight years ago, the annual trade between China and the US was only US$6 billion (1984) but now the China's overall trade hits US$10 billion a day, making China the world's largest trading nation. Adjusted by purchasing power parity (PPP), the Chinese economy may have either already overtaken the United States in 2014 (the IMF Report) or measured by the official foreign exchange rate, will surpass the United States in 5–10 years. This may well be a historic milestone in human history.

During the 1985 summit, considering his advanced age, President Li's schedules were relatively light, but the US side had predicted that Li Peng might assume China's premiership and gave him a special treat — a chartered plane and separate four-day itinerary. Li Peng also used this opportunity to the maximum to learn from the modernization experience of the United States and encouraged American businessmen to invest in China. Within the four days of his separate tour, we visited Bretton Woods nuclear power station, the Hoover Dam, RAND Corporation, Stanford University and Silicon Valley companies. Li Peng kept on asking questions and taking a lot of notes. In retrospect, this mirrored China's effort to learn a great deal from the West. But in this process, China has kept its independence and Li Peng constantly told those who questioned China's political system that China adhered to "Chinese-style socialism, and it is on this basis that China draws on all positive elements from other countries."

Twenty-eight years flew by in a snap of fingers. But great changes have taken place in both the United States and China. Two examples are illustrative of the magnitude of change. About 28 years ago when we arrived in Chicago, everything appeared fresh and eye-opening to us: from expressways to supermarkets to shopping malls. Li Peng met many America business leaders as well as the mayor of Chicago and Governor of Illinois in the hope that the US would make more investments in China. But 28 years later, this picture seems to have reversed. China has become the biggest creditor to the United States, while many American states and cities are deep in debt crisis. Chicago and Illinois are no exceptions. American mayors and governors make frequent trips to China to attract investments. The Mayor of Chicago, Richard Michael Daley, has paid many visits to China over the past decade, including a tour of five Chinese cities in 2010 to promote his "Chicago–China Friendship Program". He stressed time and again that, geographically and in terms of trade activities, Chicago sits "at the heartland of the United States." He promised to make Chicago a city "the most friendly towards China." He urged Chinese enterprises to invest in Chicago, especially in the fields of infrastructure, airport projects, renewable energy, wind power and logistics delivery centers. He rode on China's high-speed train from Beijing to Tianjin and urged China to help Chicago build high-speed rail in the future. He made efforts to promote Chinese language education, emphasizing that "any global leader in the future must learn the Chinese language and get to know China. If Chicago wants to maintain its position as an international city, it must be more proactive in doing so."[8]

The other example is technology transfer. Prior to his meeting with Vice President George Bush during the visit, Li Peng told me that the meeting might touch on some technological issues, and asked me to make preparation beforehand. Li was thoughtful enough to tell me that he would raise the issue of relaxing US restrictions on technology transfer to China. As back then computer was still a novelty, Li briefly explained to me such concepts as CPU and 64K. During his meeting with Bush, Li mentioned that American computer technology was way ahead of China, but the US still imposed restrictions on transferring such basic 64K technology to China, and this was incomprehensible. Bush did not directly respond to Li's question, only observed that issues like this could be discussed and handled by the concerned departments of the two governments.

In fact, among all Western countries, the United States imposes the most severe restrictions on technology transfer to China. During the Xi–Obama summit, Obama reportedly said that the United States would take measures to allow for more technology transfers to China, yet my bet is that it will be difficult for Obama to honor his promise, given the political reality in the United States. Encouragingly, over the past 28 years, thanks largely to its own strenuous efforts, China has made remarkable progress in various industries and technologies. China's Lenovo has acquired the PC unit of IBM as well as Motorola's mobile phone business and has become the world's largest PC company. China's Huawei has overtaken Ericson as the world's largest ICT "ecosystem provider", and China's own 4G standards have been accepted internationally and its 5G ones are coming.

China has made fast progress in many areas and become one of the world leaders, if not the leader, in such areas as hydraulic and nuclear power generation, special high-voltage power grid, subway design and construction, high-speed rails and trains, ship building, large equipment manufacturing, AEW planes, sea floor exploration and some space programs. True, China still lags behind the West in some areas, yet China is catching-up fast. The world is witnessing a new wave of technological revolution. Unlike with the previous two technological revolutions in modern history, this time China is just as prepared as other major powers in the world to embrace the new possibilities. The China today has the human and financial capital and the market scale necessary for it to excel in the new technological revolution.

What strikes me most at the Xi–Obama summit is the kind of self-assurance shown by the Chinese leader and the rise of the Chinese discourse. Frankly, for quite some time in the Sino-US exchanges, the United States was on the whole far more proactive in taking initiatives while China was more reactive. The United States constantly proposed new ideas and concepts, whereas China was busy reacting. This Xi–Obama summit has somewhat reversed this trend. Xi has demonstrated a clear awareness of China being a major power and put forward China's own discourse of "building a new type of major power relations", partly to influence the American public's outlook on Sino-US relations and partly to reshape the world's perceptions of major power relationship in the decades to come. Xi has discussed Sino-American bilateral issues extensively from the angle of long-term and overall interests of the international community

and mankind. This is the right approach to Sino-US relations now and in the future, as the nature of this relationship is bound to have tremendous global implications.

1.3 Answering Zakaria's Question

On December 3, 2013, at the last session of the 21st Century Council's Beijing Conference, Fareed Zakaria, the CNN commentator on current affairs, posed a pointed question to me: "You claim that the Western democracy does not suit China, but why do almost all other Asian countries have embraced the Western political system?" I asked the president of the conference whether I should give a short or long reply to the question. The president said that perhaps only one minute was possible, as the session had run 15 minutes overtime. Then I told him that, "half a minute will do. In fact, one sentence will suffice: What China has achieved over the past 20 years is arguably more than the combined achievements of all other Asian countries, especially in those domains of the greatest concern to the Chinese people, and behind China's achievements is the relative success of its political system. So China indeed welcomes competition with the Western political system, including the American one." In this chapter, I will focus more on assessing China's achievements in a global comparative context, while in Chapter 3, I will compare the political systems of the US and China.

Whether one discusses "catching-up" or "surpassing", one needs to make international comparisons. Just look at the number of people lifted out of poverty in China, the expanding size of the middle class, and the contribution China has made to the growth of the world economy over the past 20 years, China has indeed performed better than all other Asian countries combined. In a broader context, one should also compare China's performance with other developing countries, other transitional economies as well as the Western countries.

Let us first compare China with other developing countries. The biggest challenge faced by virtually all developing countries is poverty eradication. China has done better than all other developing countries combined in this regard, as 80% of the world's poverty eradication has been achieved in China over the past two decades. Jim Yong Kim, President of the World

Bank observed on April 19, 2013 that "over the past decades, the major driving force to realize global poverty reduction is China. It has successfully lifted 600 million people out of poverty."[9] And Bill Gates also observed during his China tour in April 2013 that within the past two decades, China's grain productivity grew by 2.6% a year and farmers' income increased 15 times, and China has thus become the first nation to reach the United Nation's millennium development goal of reducing abject poverty by half. He also observed that China's breakthroughs in science and technology may help the poorest population in other parts of the world to live a healthy and more dignified life. He hoped that the Chinese experience and technologies would assist Africa in ending poverty.[10]

It is said that although China has achieved a lot in reducing poverty, yet the number of the poor is about 70 million. Indeed, in many parts of China, the level of poverty reduction remains low. But again, some international comparisons may be necessary to see the overall picture of poverty eradication in the country. In November 2011, Beijing readjusted its poverty line (average net income of about US$1.25 a day). As a result, the number of those below the poverty line increased from 27 million in 2010 to 70 million now. As the Chinese economy further develops, the threshold will continue to rise, allowing more low-income people to receive state aid.

But China has its unique conditions as it is a socialist country, where substantial land reforms have allowed Chinese farmers to possess land and property. If we were to calculate their income not only in terms of cash, but also their land and property, then I reckon that many of these low income farmers in China would belong to the middle class in India, Indonesia and most African countries. I once encountered an Indonesian scholar who had undertaken his field study in Guizhou, one of China's poorest provinces. He told me that China's concept of poverty differs from most developing countries. The poor in China not only have land and property, but also three dishes and a soup for lunch and dinner. Their problem is mainly short of cash, but the concept of poverty in most other developing countries means lack of basics for life like food, electricity and housing. This is not the case with the poor or the poor regions of China. I think that Chinese scholars should make efforts to reshape standards to reflect China's reality. Standards set by the West or adopted by international organizations following Western theories are often out of touch with China's reality. Of course, the Chinese value modesty and have a tradition of rigorously

examining one's own weakness, and a Chinese saying even goes like this: if one is 100% successful, one should only talk about it as 30%. This also means that China's rise is realized on an exceedingly solid basis. In this sense, being modest and self-effacing is not necessarily bad.

Second, let us compare China with other transitional economies. Transitional economies mainly refer to those moving from the centralized planned economy to the market economy. They usually include China, the ex-USSR as well as former socialist countries in Central and Eastern Europe. This designation is far from perfect, as it fails to catch the essence of China's "socialist market economy". But for the sake of convenience, let us employ this extensively used term for the moment. Compared with these countries, China's achievements over the past two decades may have also surpassed the combined achievements of other transitional economies. For one thing, China's foreign exchange reserves alone stood at US$4 trillion in 2014, more than the total GDPs of almost all the other transitional economies combined. This is more remarkable given the fact that at the time of the Soviet Union's breakup, the size of Russia's economy was larger than China's, but today it is only about one-fifth of China's.

Third, let us compare China with the Western countries. In my book *The China Wave*, I submitted a view that within China there has emerged a "region of quasi-developed countries" with a population of over 300 million, or the size of the US population. This fact generates global implications. At the same time, there has emerged within a China a more populous "region of emerging economies", and the two regions are engaged in highly complementary interactions, creating the impact of $1 + 1 > 2$. This is the secret of China's success.

I recall having a dialogue on the China model in Hamburg at the outset of 2011 with Mr. Theo Sommer, founder and editor-at-large of the German magazine *Die Zeit*. Having just visited Shanghai, he felt that there were a lot of similarities between Shanghai and New York. He asked me, "Does it mean that there is no China model, but only the US model?" I counseled him to look at Shanghai more carefully, and I observed that a more careful observation would find that Shanghai had overtaken New York in many aspects.

Shanghai outperforms New York in terms of "hardware" or infrastructure, such as high-speed trains, subways, airports, wharfs and docks, and most commercial facilities, as well as "software", for instance,

life expectancy in Shanghai is higher than New York, Shanghai's infant mortality rate is lower, and Shanghai is a much safer place where girls can stroll on the streets at midnight. What I intended to tell this senior German scholar is that China's vision has gone beyond the American and Western model. I remarked, "Yes, China learned a lot from the West and it is still learning now and will continue to do so for China's own benefit in the future, but it's indeed true that China has looked beyond the Western model or the US model. To a certain extent, China is exploring the political, economic, social and legal systems of the next generation and the more developed regions of China are taking the lead in this regard."

Many economists held that given the gap in per capita GDP between China and the West, China remains a poor developing country. But I counsel them to look at two other important criteria: one is home ownership (or better still net household asset) and the other is life expectancy. China's home ownership is nearly 100% in rural areas and 85% in towns and cities, ahead of all the Western countries. China's life expectancy is 75 years, as compared with the United States' 78 years, while the Chinese population is four times that of the United States. Furthermore, in China's developed regions with a population equaling the United States, life expectancy is between 78 and 83 years, and in Beijing and Shanghai it is 82–83 years as compared with New York's 79 years. If these facts are taken into consideration in measuring China's economy and people's living standards, we will see China's status in a totally different light.

I often take taxis in Shanghai, and strike up conversations with the drivers, and most of them, usually in their 30s and early 40s have properties. I estimate that on average they each have 1.5 properties, with a net asset at least worth RMB2 million or US$320,000 or 290,000 Euros. As a result, they are surely richer than 50% of the Americans or Europeans. The net median household assets in Euro-zone countries is about 109,000 Euros in 2013. That of the US falls short of this level.[11] Yet, taxis drivers in Shanghai generally consider themselves as a vulnerable group.

There is still no universally accepted criteria for the middle class and if a rough economic criteria is those with a relatively stable job and a property. My forecast is that in a decade from now, the size of China's middle class will double the total population of the US to reach over 600 million people at least. So far, many in the West are still unwilling to recognize the China model of development or China's political system or

the role of the Chinese Communist Party in transforming the country for the better. This does not matter. The Chinese are patient. But a decade from now, if what I have predicted becomes true, which is very likely, the West may have to come to terms with all this. Otherwise, one will not be able to explain China's enormous success. Of course, by then China will not care much about this. To be frank, even now China does not care much about it.

1.4 A High-Quality Growth

At a conference held in Beijing towards the end of 2013, I encountered Professor Nouriel Roubini, nicknamed by the *NY Times* as "Doctor of Doomsday." It is reported that in 2006 he foresaw the forthcoming subprime loan crisis and later he predicted a likely meltdown of major investment banks in the US. He also predicted in 2011 that the Chinese economy would have a "hard landing" by 2013. Of course, when we met each other at the end of 2013, the Chinese economy was still doing reasonably well. When I asked him whether he was a bit more optimistic about China's economic outlook, he did not change his pessimistic tone but only said in general terms, without specifying a timeframe, that "China's economic growth relies too much on exports, on vast investments in infrastructure, on low consumption and on low productivity; therefore this model cannot sustain itself, and China's bad loans and public debts will eventually bring the economy to a 'hard landing'". But from my point of view, his misgiving may well be built more on wrong data or wrong interpretation of data.

In all honesty, to my mind, a vast array of inaccurate data has been used over the years, which has even affected state policies and global predictions on the prospects of China. Economists rely very much on data, but the reliability of data is largely determined by the standards and methods involved in data collection. If the standards and methods are wrong, the conclusions are inevitably wrong.

Years of field work in so many different countries have inclined me to trust a lot in my field observations. To me, they are as important as theoretical reasoning and data collection. I became skeptical of the mainstream Western political and economic narratives from my own observation of world realities. When a theory does not fit well with what I

see in reality, I proceed to conduct research and even question the relevant theories.

There are five major misperceptions of the Chinese economy. Let us analyze them one by one.

The first is that the Chinese economy suffers from inadequate domestic consumption. The average level of global domestic consumption is generally 70% of a country's GDP. In developed countries, such proportion often exceeds 75%, whereas in China it is only 59%, far below the global average level, even lower than that of India. Some scholars begin to infer from these data that China's economy will encounter serious problems. I have been to India several times. My common sense assessment tells me that the consumption level in India is much lower than that in China.

The situation in the West also deserves a second thought. Periodic and escalating financial and debt crisis are squeezing ordinary households' dispensable income. And when the economy recovers, spending revives and here goes a new round of debt. In contrast, the world's largest volume of sales in automobiles and real estate is realized in China, mostly with cash rather than debt. And the Chinese people seem to be consuming the more expensive and newer models in all things that make up our daily material life, from cars, mobile phones to electronic appliances. Consumption is further driven by the penetration of online shopping among the Chinese population. If this is the case, how can China's domestic demand be inadequate? I doubt that something must have gone wrong with the statistics or with the way the statistics are collected.

Zhang Jun, a noted Chinese economist, has studied this issue and reached some revealing conclusions that the Chinese official statistics on consumption may indeed greatly underestimate the country's domestic consumption level. Zhang Jun finds that a large part of China's automobile consumption has been classified as enterprises' capital expense rather than consumption. By extension, a vast amount of automobile-related private consumption billed by companies has been categorized as companies' running cost, instead of personal consumption.

He also finds that rent represents a small proportion of Chinese "consumption" as China has a high level of home ownership. He concludes that rent in China only concerns about 15% of the population. In contrast, GDP statistics in other countries usually include rental and leasing

revenues, and even when a house is not rented out, there is an estimation of virtual rental. There is no such item in the Chinese statistics.

He further highlights a psychological factor that China's high-income group is generally unwilling to cooperate with household income surveys (in fact it is the same with medium and low income families). The Chinese public in general loathe disclosing their income information to outsiders. Therefore, a vast amount of hidden income exists outside the official statistics.

Zhang made a new estimate by taking into account the above three facts, and the resulting overall domestic consumption in China is between 60% and 65% of its GDP. This ratio was almost the same as that of East Asian economies such as Japan and South Korea during their fast growing years.[12]

A similar view is taken by Shi Zhengfu, a leading Chinese economist from Fudan University. According to Shi, over the past 34 years, consumption occupied roughly 59% of China's GDP, low by international standards. Yet, the level of growth and expanding scale of consumption in China are breathtaking. The total volume of China's consumption in 1979 was about RMB200 billion, and it rose to about RMB23 trillion in 2011, which means an annual average growth of 9.0% in real terms. By any measure, this level of growth should be considered very high in the world.[13]

The second misconception is the high degree of economic dependence on foreign trade. No doubt, China's export-oriented economy heightens its reliance on foreign trade and this issue should be addressed. But in the meantime, this dependency should not be exaggerated. For one thing, the volume of foreign trade is calculated in USD on the basis of official exchange rate, while the rest of China's GDP is measured by RMB, which is often perceived as undervalued. Thus, the proportion of foreign trade to China's GDP has been magnified. Over the recent years, as the Chinese economy shifts away from foreign trade, and domestic consumption grows further. China's trade dependence declined to 49% of its GDP according to the official statistics in 2013. If one measures this ratio anew on the basis of PPP, then China's trade dependency would be even lower.

The third misconception is that investment in China is inefficient and often wasteful. But Shi Zhengfu's research has revealed just the opposite. China's capital-to-output ratio, which is the ratio of investment needed for per unit of growth, did increase slightly from 3.38 in the earlier days to 4.10

most recently. But in comparison, the ratio in the US was 5.29 between 1965 and 2010. During the financial crisis, the figure was as high as at 22.64 in the period from 2005 to 2009. In Japan, this ratio from 1980 to 2010 stood at 14.69. During the period from 2000 to 2010, it reached 37.16. In other words, China's capital–output ratio is much better than that of Japan and the United States over the past 34 years. China's high investment returns has produced a major impact on China's total productivity.

Some scholars hold that capital–output ratio is higher in the United States than China. But Shi Zhengfu argues that individually, many American companies do perform quite well, and their investment is effective, but there is a systemic weakness in the West in general and the United States in particular, i.e. periodic crises wreak havoc on investment returns. "Just imagine over the past 10 years how many American enterprises have collapsed overnight and how many investments were wiped out due to the burst of the dotcom bubble and the meltdown of real estate market in the US. It is the root cause of why individual American companies may produce higher yields, but the overall capital–output ratio over a longer period remains discouraging."[14]

The fourth misperception is about the size of China's public and local debts. Both at home and abroad there is a flurry of criticism on debts accumulated by Chinese governments at various levels. But this is inaccurate. Justin Lin, a well-known Chinese economist and the former World Bank Vice President, stated in 2013 that the highest estimate, as he saw, China's local governments' debts was RMB17 trillion, equivalent to 32.7% of China's GDP in 2012, and that the aggregate debts of both the central government and the local governments amounted to 47.6% of China's GDP in 2012. In short, the two ratios were much lower than the internationally accepted bottom line of 60%. In contrast, the Japanese government debt is over 240% of its GDP and most of Western countries' cumulative government debts exceed 100% of their GDPs.

What is more noteworthy is the fact that the government debts in the West are genuine debts, as they are used largely to shore up consumption. On the contrary, the government debts at all levels in China are mostly investments which are often extremely good assets. Furthermore, China possesses the world's largest foreign exchange reserves of nearly US$4 trillion and China's domestic savings are also the highest in the world, exceeding 50% of China's GDP. In this context, Lin asserts that China's

ability for fiscal leverage as stimulus to its economy remains unrivaled.[15] The fifth misperception relates to the so-called crude pattern of China's economic growth which is characterized by quantitative expansion rather than qualitative growth. Indeed, at the early stages of industrial development, the Chinese economy was characterized by crude pattern of growth. But, to put things in perspective again, China should be the quickest in the world to have learnt and grown beyond the lower end of the value chain to start pursuing qualitative growth. In January 2014, the Institute for International Trade Studies under the South Korea Trade Association released a report on those countries that dominate world trade as measured in product types. Topping that list is China, selling more goods than any other country in 1,485 types of export goods. Germany comes in second with 703 products, the US 603, Japan 231, Italy 228, India 144, Holland 138, France 104, Belgium 94 and the UK 81. China commands the world number one status with product types almost equivalent to those of the US, Germany and Japan combined, more than 10 times that of India's. This is a great achievement by any measure.[16]

Qualitatively, the Chinese economy has shifted from being merely laborintensive to a combination of labor-intensive and technology-intensive plus capital intensive. The impression of products "made in China" as merely labor-intensive of dubious quality is outdated. In the first half of 2012, mechanical and electrical products accounted for 3/5 of China's total exports. The combined export volume of textiles, garments, bags and luggage, footwear, toys, furniture and plastics commodities was just 1/5 of China's total value of exports.

China is home to some of the world's most sophisticated industrial capabilities, including super-critical thermal power stations, nuclear power plants of the third and fourth generation ultra-high voltage electric grids, refineries of the highest standards and the world's finest coal-to-liquids plants. Furthermore, China has mastered the application of some of the most advanced productive technologies critical to future industrial development, such as casting processes and modularized manufacturing bases suitable for super-large parts. China is also the world's leading producer of the largest and maximal load-bearing digital machine tools, of land-based heavy machineries, as well as ship-building and offshore oil drilling machineries. China's 4G communication technology standards have been accepted internationally, and 5G research is well on its way. Out of the

five largest global communications equipment manufacturers, two are Chinese. China's biological, medical and pharmaceutical industries are also developing fast. It is reported that significant breakthroughs have taken place in the fields of high-end universal chips, core electronic devices and large-scale integrated circuits equipment.

Wan Gang, China's Minister of Science and Technology was confident enough to state that China would not take seriously the Western embargoes on high technology transfer to China, as "we'll make it, and nothing can stop us."[17] Of course, while one claims that the Chinese economic growth is at once a quantitative and qualitative one, it does not mean that China has done well on all fronts. On the contrary, in the value chains of world industry, China's standing is still at the middle to low end. I once turned to a German scholar who had done a lot of research on this topic. He said, on the whole, Germany now stands in the high end and China in the low and middle. Nevertheless, China has been making fast progress, the low having moved up into the middle and the middle into the high. In the past, Germany wished to maintain technological edge over China by a decade, but now in more and more areas, the gap has been narrowed to five years, or even shorter; in some areas, the gap is only one year.

As many Western countries suffer from a hollowing-out of the economy, some are left with a sense of loss and despair. George Osborne, UK's Chancellor of the Exchequer, after a tour of Asia in 2013 remarked that China was no longer a "sweatshop" and "I seem to feel, my God, as a nation, we should beef up and the West, as a whole, should realize what is happening in Asia."[18]

China is not only the largest manufacturing power, it also possesses the most comprehensive industrial ecosystem in the world: China may be the only country in the world that can integrate capital, technology, management, labor and long-term commitment. At least in theory, this allows China and Chinese companies to undertake most major infrastructural projects across the world from airports to harbors to bullet-trains. Such capability combined with the strength of China's political system in making strategic plans for the mid-to-long-term, creates what may be called a "comprehensive competitive power". In 2014, when the Chinese government presented the idea of assisting Africa to construct "three networks" (railway network, expressway network and regional airline network) on the basis of cooperation and mutual benefits, the whole

Africa cheered. China's One Belt One Road initiative (or *yidaiyilu*: the Silk Road Belt and the Maritime Silk Road) is also shored up by this kind of "comprehensive competitive power".

Against this background, Kishore Mahbubani, a senior Singaporean scholar, observed in an article published at the end of 2012 that in a decade to come, "we are unlikely to see the meltdown of the Chinese economy. Rather, we may see a brilliant team of talented reformers injecting new vitality into the Chinese economy. This new team has unmatched edges over others: the world's largest foreign exchange reserves, the world's largest industrial base, the world's best and newest infrastructure, the world's largest emerging middle class and the world's largest number of science and technology graduates."[19]

1.5 The Relative Strengths of China and the United States

Over the past 30 years, China has been on the rise and this results in a steady change of the relative strengths of China and the United States, and the gap between the two countries is closing up fast. China has moved ahead of the United States in many fields.

Let us first look at the overall GDP of the two countries. If one measures GDP by PPP, the IMF estimated that **the Chinese economy overtook the United States in 2014, as it was worth $17.6 trillion, compared to America's $17.4 trillion.**[20] Angus Maddison, a leading authority on economic measurement in PPP, foretold this much earlier.[21] Arvind Subramanian of the Peterson Institute for International Economic Studies also held that as early as 2010, China's economy had become the world's largest.[22]

Measured by the official exchange rate, China's GDP in 2012 was US$8.3 trillion as compared to the United States' US$15.6 trillion. In other words, China's economy was roughly 52.6% of the US economy. Yao Yang, a Chinese economist from Peking University, estimated that if China's economy could grow at an annual rate of 7%, China would become the world's largest economy by 2023. The *Forbes* magazine predicted in May 2011 that China would overtake the US in 10 years' time. Likewise, PricewaterhouseCoopers predicted in its 2010 report that by 2020 the Chinese economy would be larger than the US economy.[23]

In other words, it is generally held that if measured by PPP, the Chinese economy is already larger than the US and if calculated by official exchange rate, China should become the world's largest economy in less than a decade from now. In either case, it will be a milestone testimony to the rise of China with far-reaching global implications.

Second, China's overtaking of the United States is also reflected in the growing wealth of the Chinese people. According to the US Federal Reserve Board's (FED) survey on American consumers' financial status released in June 2012, the net median household assets in the United States in 2010 was US$77,300 (or about RMB470,000), a reduction of 38.8% from the peak of 2007 when this figure was US$126,000 (about RMB760,000).[24] In 2012, China's Southwest University of Finance and Economy, applying the same methodology of the FED, published a *Survey Report on Chinese Household Finance* (*the Chinese Report* henceforth), the first of its kind in China, with data collected from 28 provinces, including 2,585 cities and counties.[25] According to this report, the total value of Chinese household net assets was US$69.1 trillion in 2010, exceeding that of the United States (US$57.1 trillion) by 21%. This is surely an impressive achievement for China, which was not long ago a very poor country. The author of *the Chinese Report* also cautioned that "the purpose of publishing this report is to present our findings to the world that for the first time the total value of the Chinese household net assets has overtaken that of the American households. This is a milestone in the course of China's development. But it may also serve as a reminder to remember that 20 or so years ago, Japan's total assets also rivaled for a while those of the United States. We only hope that 20 years from now China will not be a country that merely "surpassed the United States for a while in the past."[26]

On book value, there still exists a wide gap between the Chinese rural household assets and those of American households, but it will be unfair to make such a comparison at this stage, as there is still no way to accurately measure the land value in rural China. Beijing has taken steps to measure and certify the rural population's land assets within the next five years. Perhaps a fair comparison with the United States will become possible five years from now when the measurement and certification process of Chinese land assets is complete. At the present stage, it is more meaningful to make a comparison between China's urban household net assets and those of American households, as, after all, China's urban population is already

twice the total US population, and information about China's urban household assets is largely accurate and reliable.

Table 1.1 Distribution of Urban Household Net Assets in 2010

Range of Asset	Percentage (%)
Below RMB100,000	18.99
Above RMB100,000 and below 405,000	31.00
Above RMB405,000 and below 1,000,000	18.2
Above RMB1,000,000 and below 2,476,000	17.42
Above RMB2,476,000 and below 10,000,000	12.50
Above RMB10,000,000	1.8

Source: *The Chinese Report*.

Table 1.1 shows the distribution of Chinese urban household net assets in 2010:

From the table, we can see that the Chinese urban household median net assets in 2010 stood at about US$66,300 or RMB405,000 while the American ones were US$77.300, slightly higher than the Chinese. However, from the last four rows in the table, we can see that more than 40–45% of the Chinese urban households have net assets higher than US$77,300. We can infer further that in the developed regions in China, with a population the size of the United States, most Chinese households have net assets larger than 50% of the American households. For a country with such a vast scale and diversity, on such a weak foundation to begin with, to accumulate this level of wealth is no small achievement. China has every reason to pride itself on these achievements. On top of this, Chinese household assets are still growing fast since 2010.

Third, in the field of science and technological innovations, China is also making steady progress. According to the findings by the Organization of Economic Cooperation and Development (OECD), China apportioned 1.98% of its GDP in 2012 to R&D, just above that of the European Union's (EU) 28 member countries.[27]

Chinese economist Li Xiaopeng noted,[28] that in the four years from 2008 to 2012 China's R&D investments increased by 123%, an annual growth rate of 22%, far above China's GDP annual growth rate. In contrast, handicapped by the financial crisis and the occasional "fiscal cliff", the United States did not increase its R&D investment. Li predicts that if in the next six years (from 2013 to 2018), China's annual average R&D investment could increase at a rate 16% higher than the US, it would be able to come ahead of the United States by 2018 in terms of total R&D investment.

In Li's opinion, China's R&D investments have already produced impressive results, and the country has substantially improved its level of science and technology. According to a 2011 report released by the World Intellectual Property Organization (WIPO), China for the first time overtook the United States in the total number of patent applications, accounting for 1/4 of all patent applications in the world. China's telecommunication company ZTE, with 2,836 patents, has become the world's largest company in terms of patents applications, ahead of Japan's Panasonic (2,463 patents). Huawei, another Chinese telecommunication company, ranks third, ahead of its competitor Qualcomm Corp of America. Over the recent couple of years, Chinese research has produced some cutting-edge scientific breakthroughs, for instance, the first semi floating gate transistor; the first quantum imaging 3D camera, the first 200 laminar plasma beam equipment, the first mimicry of electronic computer, and the world's fastest super-computers (Tianhe No. 1 in 2011 and Tianhe No. 2 in 2013). Research papers published by Chinese scientists now cover almost all fields. Under the International Lab Association for Cooperation's mutual recognition arrangement, the number of world-class laboratories in China numbered over 5,000 in 2010 which means China has more internationally recognized labs than other countries. Li holds that with sufficient funding, Chinese scientists have reached a critical point in catching-up and even overtaking their Western counterparts in many fields, and he predicts that in the coming five years, one may well witness an explosive growth of innovations and cutting-edge research findings in China." When will China win a Nobel Prize in sciences? This question has been weighing on many people's minds for years. Prizes of this kind are less controversial, compared with the Nobel Prize in literature or peace or even economics, which are often viewed by many as under heavy sway of ideology and

therefore controversial. The fact that a great majority of the Nobel laureates in natural science come from the West should be understood against a broader historical background. The West has been ahead of other nations for nearly two centuries since the Industrial Revolution, in virtually all fields of human knowledge. In contrast, it has only been a few decades since the Chinese had a healthy and stable environment conducive to scientific and technological research (notably since the end of the Cultural Revolution in 1978). Given the circumstances, China's achievements are already extremely impressive. The most recent survey published by the journal *Nature* shows that measured by the number of academic papers published in *Nature's* series of journals, for the first time, the Chinese Academy of Sciences ranked the first in the Asia-Pacific region, ahead of Japan's Tokyo University, which is the home to Japan's largest number of Nobel laureates. This fact may well be an indication as to what may come in sciences from China in a not too distant future.

---

1 Thomas Friedman, "A Biblical Seven Years", *The New York Times*, August 27, 2008.

2 This figure was released by the Chinese Academy of Social Sciences on June 20, 2014. See http://news.xinhuanet.com/yzyd/fortune/20140624/c_1111278215.htm, September 9, 2015.

3 Various reports released by the People's Bank of China and the Japanese Finance Ministry.

4 See the website of the National Bureau of Statistics of China, http://data.Stats.gov.cn/search/keywordlist2?heyword=%E7%95%99%E5%AD%A6.

5 "留学归国人数逼近出国人数中国将成人才回流国", 中国新闻网, 2014年 3月 13日 ("The Number of Returning Students Is Closer to That of Outgoing Students", *China News Net*, March 13, 2013), www.chinanews.com/lxsh/2014/03-13/5944946.shml.

6 张维为:《中国触动: 百国视野下的观察与思考》, 上海: 上海人民出版社, 2012年, 第 59–60, 页 (Zhang Weiwei, *The China Ripple*, Shanghai People's Press, Shanghai, 2012, pp. 59–60).

7 张维为: "中美关系: 大势变化不可阻挡——比较 28年前后的两次中美高峰会晤", 观察者网, 2013年 6月 13日 (Zhang Weiwei, "Irresistable Trend in Sino-US Relations: Comparing the Two Summits, *Guancha*, June 13, 2013), http://www.guancha.cn/zhangwei-wei/2013_06_13_150890.shtml.

8 张维为: "中美关系: 大势变化不可阻挡 — 比较 28年前后的两次中美高峰会晤", 观察者网, 2013年 6月 13日 (Zhang Weiwei, "Irresistable Trend in Sino-US Relations: Comparing the Two Summits, *Guancha*, June 13, 2013), http://www.guancha.cn/zhangwei-wei/2013_06_13_150890.shtml.

9 高攀、蒋旭峰、樊宇: "新闻分析: 数说世行和 IMF春会", 新华网, 2013年 4月 20日 (Gao Pan, Jiang Xufeng, Fan Yu, "The World Bank and IMF's Spring Sessions: An Analysis", *Xinhua Net*, April 20, 2013), http://news.xinhuanet.com/world/2013-04/20/c_115465582.htm.

10 "盖茨谈与中国合作扶贫: 预知前方事需问过来人", 中国新闻网, 2013年 4月 6日, ("Bill Gates on Fighting Global Poverty Together with China", *China News*, April 6, 2013), http://www.chinanews.com/gn/2013/04-06/4705522.shtml.

[11] The 2013 figure for Euro-zone countries was released by the European Central Bank. Discussion on the US household net assets follows (in Section 1.5 of this chapter).

[12] 张军：“被误读的消费率”, 观察者网, 2014年 1月 7日 (Zhang Jun, Misunderstanding of China's Consumption Ratio, *Guancha*, January 7, 2014), http://www.guancha.cn/zhangjun/2014_01_07_196580.shtml.

[13] 史正富:《超常增长: 1979–2049 年的中国经济》, 上海: 上海人民出版社, 2013年, 第1页 (Shi Zhengfu, *Extraordinary Growth, the Chinese Economy from 1979 to 2049*), People's Press, Shanghai, 2013, p. 1.

[14] 史正富:《超常增长: 1979–2049 年的中国经济》, 上海: 上海人民出版社, 2013年, 第1页 (Shi Zhengfu, *Extraordinary Growth, the Chinese Economy from 1979 to 2049*), People's Press, Shanghai, 2013, p. 31.

[15] “林毅夫: 2020年有望成为高收入国家”,《新京报》, 2013年 11月 15日 (Lin Yifu, “China May Become a High-Income Country by the Year 2020”, *New Beijing Daily*, November 15, 2013).

[16] “韩媒: 中国‘全球第一产品’世界居首”, 参考消息网, 2014年 1月 24日 (“Korea Media: Chinese Products Come First”, *Reference News*, January 24, 2014), http://finance.cankaoxiaoxi.com/2014/0124/339435.shtml.

[17] 杜建国: “‘中国的高增长粗放低效’说法很粗放”, 观察者网, 2013年 5月 23日 (“Du Jianguo on China's Extensive Growth”, *Guancha*, May 23, 2013), www.guancha.cn/dujianguo/2013_08_31_169351.shtml.

[18] “英报: 英国财长呼吁学习中国进取精神”, 新华网, 2013年 10月 21日, (“British Chancellor of Exchequer Calls for Learning from the Chinese Entrepreneurship”, *Xinhua News*, October 21, 2013), http://news.xinhuanet.com/cankao/2013-10/21/c_132815481.htm.

[19] Kishore Mahbubani, “The Meltdown of the Chinese Economy: A Merely Western Imagination?”, http://www.ftchinese.com/story/001046950.

[20] “America Usurped: China becomes World's Largest Economy”, Daily Mail, October 9, 2014.

[21] Angus Maddison foresaw China overtaking the US by 2015. See《21世纪世界经济导报》(21st Century Business Herald), August 1, 2009.

[22] Arvind Subramanian, *Eclipse: Living in the Shadow of China's Economic Dominance*, The Peterson Institute for International Economic Studies, 2011.

[23] See Zhang Weiwei, *The China Wave: Rise of a Civilizational State*, World Century, New Jersey, 2011, pp. 23–27.

[24] See *The 2012 Fed's Survey of Consumer Finance* (*SCF*).

[25] 中国西南财经大学《中国家庭金融调查报告》(China's Southwest University of Finance and Economy, *Survey Report on Chinese Household Finance*), http://wenku.baidu.com/link?url=240n0z3j8019P7hGBArcrb4Kp2feCBidQFNZCHIt2Qsv75d5vPEdGHWsCZKi37oeVP4EiwvKyE9ziCX-ijoE6PbgPnbEWRjyaBidWHqE1Na.

[26] “西南财大报告再引争议: 中国家庭净总资产高出美国 21%”,《中国证券报, 2012年7月 15日 (Survey Causes Controversy, *China Securities Daily*, July 15, 2012), http://www.cs.com.cn/xwzx/jr/201207/t20120715_3410200.html.

[27] See *Nature*, January 9, 2014.

[28] 李晓鹏: “历史永不终结: 中国在五年内超越美国的前景及其影响” (Li Xiaopeng, “History Never Ends: The Prospect of China Overtaking the US in Five Years and its Implications.”). See Li Xiaopeng's blog, http://blog.sina.com.cn/s/blog_555a7ff30101ggds.html.

CHAPTER 2

FROM MYTH TO TRUTH

2.1 The Emperor's New Clothes?

The Globalist, an influential English online magazine, published an essay entitled "The American Dream is still alive and well in China" on November 23, 2010[1] which depicts an amazing phenomenon in China:

> We are living in a seemingly odd and even distorted time. Those people who are supportive of the United States most suddenly turn deeply skeptical of the future of this nation, having no idea whether this nation can continue to shine or not. On a recent media trip to China, perhaps the most amazing finding was that the American Dream is alive and well … In many of our exchanges with Chinese interlocutors, they took great umbrage at hearing news from our group of Washington-based journalists and thinkers about how stuck in a rut American politics had become and how US society was riven with serious conflicts.
>
> Basically these Chinese asked us not to talk about American problems any more, and they would not believe even if we talked about these problems, and the bright prospects of the United States somehow kept their hope to get the Chinese out of the current darkness.

To paraphrase Andersen's famous fairy tale *The Emperor's New Clothes*, one might recast their appeal in this way: "Please don't tell us anymore that the United States is in a difficult shape. Even if you say so, we won't believe it. You are destroying our dream for the future."

Their wishes aside, it is essential for us to understand the United States as it is. In this context, the subject of America's social protection may be

brought in, especially its medical insurance and pension system, which many Chinese are curious about. It was less than a decade ago when China initiated a nation-wide medical insurance scheme, by now all the Chinese population are covered by this scheme. In other words, China has constructed the world's largest public medical insurance network. Although the level of insurance varies from place to place within the country, it has been improving steadily. In contrast, about 1/6 of the US population (approximately 50 million people) are not yet covered by any medical insurance. Even for those who have already bought the medical insurance of one sort or the other, they are not necessarily happy. A Chinese national residing in the US posted an essay in his blog comparing the medical insurance in China and the United States, which went viral on the Chinese internet.[2]

The essay is written with a sarcastic tone like this: "I once assumed that after paying about 500–1000 USD each month for medical insurance, I could go directly to hospital and see a doctor, receive my examination result within 20 minutes and get my medicine by walking a few steps within the hospital; I also assumed that if you suffer from a hemorrhoea, a blood transfusion would be made immediately and if you had a heart attack, an ambulance would come to your rescue without a bill that would bankrupt you. I even assumed that if you had a transfusion at night, you need not pay for the night and if you gave birth to a baby, you could stay in hospital for at least two nights. Well, if you did think this way, let me tell you the truth: you will get all these only in China (rather than the United States)."

The article goes on to compare the differences in medical insurance between China and the United States: "in China the substance of a medical insurance is an account, meaning there is money in it, whereas in the United States, it means a card with your name on it, but without any money at all". The author asserts, "The U.S. is a country where there is no medical insurance provided by the state, and it is done by the private sector, which falls into two categories: HMO and PPO, accounting for over 90% of the medical insurance market. The two categories of insurance are in effect owned by one corporation" and the article continues sarcastically, "Now you may have a clear idea of what is called monopoly. We each pay 500 USD a month and add another 300 USD after having one baby. Our parents-in-law live in San Diego, and they each have to pay 500 USD for their medical insurance. They have three children; one of them suffers from

congenial diabetes. Private insurance companies refuse to cover this on the ground of what's called the preexisting conditions. Consequently, they have to cover all of the medical expenditures of the child by themselves. Whether you're with HMO or PPO, and whichever policy you have purchased, the expenditures to be covered by these private enterprises, for example, what kind of doctors you can see and what proportion of prescribed medicine you can get, are still to be determined. Do you have an idea of what is called 'changes are possible anytime' now? The most remarkable feature of American medical payment system is its arbitrariness. When you see a doctor, it is impossible for you to know how much you will pay, for doctors say that they themselves have no idea and that they will report your case to the insurance company concerned. You will not receive your bill until one or two months after you see the doctor."

Furthermore, the author laments that "all the bills are written in acronyms designated by the insurance company, which are undecipherable like the cryptic codes used in war times. If you can figure out the bills, I think you need to take a course in graduate school, I mean, the course of 6 credits. Sometimes, when you get the bill, you find that the insurance company has not covered a single cent for you. You feel crossed, don't you? Who then is to blame? You only have yourself to blame, as why didn't you read the 50-page long document carefully before purchasing your insurance? The document writes so clearly that by virtue of donating your money each month and according to the type of insurance you have purchased, you will not get any reimbursement until you have expended several hundred to several thousand dollars. In other words, the initial hundreds or thousands of dollars are all paid out of your own pocket. If you are sick merely once or twice this year and your expenditures have not reached the reimbursement level, then what can you do? You will have to pay all by yourself this year. And next year, to be sure, everything starts from scratch; it means that the starting point of your insurance will be calculated from zero again. Rest assured, these insurance companies will not go bankrupt, and their policies remain unchanged for decades."

As for taking care of society's elderly, China's pension system has started from scratch but has grown quickly from a small size to a huge one. Now it covers virtually all of the elderly in China. In 2013, 205 million people in China received state pensions, and those retirees from enterprises saw their pensions rise by 10% that year.[3] In comparison, the pension

system in the United States can best be described as declining, if not deteriorating. The pension entitlement for the generation of those Americans born after World War II, that is, between 1946 and 1964, are already much inferior to what their parents once enjoyed. The financial crisis of 2008 caused a sharp shrinkage of Americans' wealth. And the marketization reform of the pension scheme starting from 1980s is another principal cause of shrinking wealth. The crisis has brought down median household net assets of those aged from 55 to 64 by 8% compared with their parent generation. The survey made by American Public Policy Institute in 2011 showed that more than 50% of the Americans think that their retirement life will not be as good as that of their parents, as most of them will no longer have the type of the pension entitlements which their parents once enjoyed.[4] In the US the retirement age is also between 5 and 15 years older than that in China; that is to say, the American elderly often have to work until their full retirement age of 66 or 67, and many still continue to work after this age, while in China it is 50–55 for most women and 60 for men.

One may also consider social protection in a broader sense by comparing overall social environment as in the case of street safety. China is a much safer country to live than the United States. In my book *The China Ripple*, I made a comparison between China and the United States by referring to the example of a street safety index, and I observed that in a scale of 5, China would easily get 5 while the United States at maximum get a 3.[5] It is safe to walk around wherever in China or drive into any village wherever in China or take a stroll at midnight in 99% of Chinese cities. I know a Swiss student who spent three months to travel more than half of China, together with his three Chinese classmates on scooters and they encountered no safety problems. Upon coming back he told me that China was safer than Switzerland, one of the safest countries in the world. Official statistics also confirm his impression: in 2012 the murder rate in China was 0.8 per 100,000 people, lower than in Japan and Switzerland. In comparison, the US had a murder rate of 50 per 100,000 people, or 60 times that of China.[6]

Of course, China's social protection is still an unfolding cause with its weaknesses such as regional disparities and urban and rural gaps. But there is a strong consensus across the Chinese society that China needs to build a sustainable, fair and just social protection system, and such system needs to

improve itself constantly as the Chinese economy further grows. China's decision makers are aware of the need to draw on China's own experience and that of other countries and the need to avert both the American syndrome (perceived as excessively capitalist) and the Greek syndrome (seen as unsustainable). It is decided recently that China's state-owned enterprises will contribute 30% of their profits to China's social protection system in the years to come.[7]

2.2 What's Gone Wrong with the American Dream?

Not long ago I attended a forum on "The Chinese Dream" held at a Chinese university in Beijing. A question was put to me: Since many students want to study in the United States, what does the Chinese Dream mean to them? My answer was simple: they could dream the American Dream; they could also dream the Chinese Dream. But personally, I think that the Chinese Dream may be more exciting than the American one now and perhaps in many years to come.

For a long time, the American Dream was a vision for many foreign immigrants to the United States: if you work hard, abide by law, no matter where you come from and whatever your social class, you will eventually succeed. In the words of the American writer Thomas Wolfe, the American Dream is "… to every man, regardless of his birth, his shining, golden opportunity … the right to live, to work, to be himself, and to become whatever thing his manhood and his vision can combine to make him." To interpret the American Dream in the words of the Chinese Dream, it is "everyone has chance to make his or her life splendid."

But for many now, the American Dream seems to have lost its allure. A book called *The Betrayal of the American Dream* published in 2012 caused a stir in the United States.[8] The co-authors are seasoned reporters: Donald L. Barlett and James B. Steele, who have been in collaboration with each other for long to write investigative reporting. They had won the Pulitzer Prize twice in the past. Their book gives an account of how the American Dream has evaporated for most Americans and analyzed why this Dream has been betrayed and who has betrayed it.

Based on their more than two decades' investigative reporting, the two authors conclude that the American Dream that once drove so many people

is no longer shining. According to them, if the real household income at median level were 100 in 2000, then it was only 89.4 in 2011. In other words, the real income for most American households decreased by about 10% over a decade. The gap between rich and poor has been widening since. The taxes paid by the rich since 1980 has steadily decreased. The book states that from 2000 to 2011, 1% of the American population saw their income increased by 18%, and this 1% accounts for 40% of America's total wealth.[9]

Americans' pensions have also suffered huge losses. Over the past two decades, traditional American pension system has been to some extent supplanted by the 401K personal retirement saving schemes. Compared with the traditional pension system, the contributions made by private corporations have decreased a great deal. Furthermore, the value of 401K's performance is closely linked with the performance of stocks and securities, and the 2008 financial crisis thus caused havoc to Americans' retirement savings.

Joseph Stiglitz, the Noble Laureate in economics, assessed the impact of the financial crisis: despite some signs of economic recovery, the scale of the American economy is still 15% smaller than before the 2008 crisis. He further argued that GDP may not be a good indicator of performance. Rather, household income is a more relevant indication. The median real income for most American families in 2014, according to Stiglitz, is in fact lower than that of 1989 (or 25 years ago). The median income for American males (with full time jobs) today is lower than 40 years ago. He deplored this situation:

> Perhaps a hundred years ago, America might have rightly claimed to have been the land of opportunity, or at least a land where there was more opportunity than elsewhere. But not for at least a quarter of a century. Horatio Alger-style rags-to-riches stories were not a deliberate hoax, but given how they've lulled us into a sense of complacency, they might as well have been.[10]

Contrary to the downward trend of the American Dream, the Chinese Dream has been moving upward. For instance, on material terms, most Chinese have in fact experienced a wealth revolution over the past three decades. If a Chinese person had emigrated to the United States sometime during the past three decades, he would have sensed a sea change of fortune. This contrast was further highlighted by a 2013 survey of Global

Attitudes conducted by the Washington-based Pew Research Center, which showed that 85% of the Chinese expressed their satisfaction with the direction of their country ("very satisfied" or "satisfied"), while in the United States, it was 31%.

The Betrayal of the American Dream has raised a pertinent question: ultimately who should be held responsible for betraying the American Dream? According to the two authors, it is the American politicians, the government and the rich and big corporations that have shaken the foundation of the American Dream by making power-for-money deals, allowing the American commoners fewer and fewer opportunities to succeed. Washington reduces taxes in the interest of the rich on the ground that the rich would create jobs for other Americans. However, this does not occur. The rich and their corporations are not keen to take their profits back home if these profits are made abroad. Many of them prefer to transfer their money to such tax havens as the Cayman Islands, the Bahamas, Luxemburg and Switzerland. Together with politicians, the rich have largely shaped the mainstream opinions of America's think-tanks and the mass media to drastically relax the state regulations over the financial market. As a result, within a brief space of 20 years, "the salary, welfare and other economic benefits enjoyed by the American middle class have all been eroded."

The two authors mentioned the fact that American corporations moved their factories to China and caused huge job losses to American workers. But from a Chinese perspective, the Chinese Dream is on the whole more inclusive than exclusive, and it is in many ways compatible with the American Dream. Put it another way, the realization of the Chinese Dream does not necessarily stand in the way of realizing the American Dream, as the economies of China and the United States are hugely complementary, and the realization of the Chinese Dream can even help Americans in realizing their American dreams. For instance, in terms of profits, the United States is the party that benefits more from investing in China and trading with China. It is fair to say that it is not the Chinese workers who have snatched jobs away from their American counterparts. Rather it is perhaps the flawed American political system that is more to blame. Many American investors have fattened their own pockets through their operations in China, but the American political system is now unable to channel a reasonable part of these profits to the ordinary Americans.

This brings about a broader question concerning the American political system. Indeed, it would be much better for the United States to pause a bit and reflect on the predicament faced by its political system and initiate necessary political reforms, rather than keeping on lecturing others. Having experienced such a major crisis which claimed one-fifth to a quarter of ordinary Americans' assets, Washington is still unable to face squarely with the weaknesses of its own political and economic systems. If this trend continues, then my humble opinion is that it will be simply a matter of time for the United States to face another major, perhaps more serious, crisis.

In my book, *The China Wave*, I used the term "the second generation corruption" or "corruption 2.0" to describe the kind of corruption behind the financial crisis. The word "corruption" in the Chinese language has a very broad range of meanings and is applied loosely in the mass media, virtually covering every sphere of life, from soccer corruption, media corruption, medical care corruption, financial corruption, academic corruption to transportation corruption, lottery corruption, festival corruption etc. In comparison, "corruption" is a highly specific term in the American political discourse. The financial crisis of such a gigantic scale is portrayed in the mainstream American media merely as "moral hazards", rather than "financial corruption", which, from a Chinese perspective, is a far more accurate description. Why? The subprime loans of worth of US$1.5 trillion were miraculously packaged as the platinum financial products and then approved by various rating agencies as triple A products and sold to banks and other institutions the world over. Those financial tycoons responsible for the crisis take every advantage of the loopholes in the legal system, making the fullest use of all grey zones that can be utilized, hoodwinking and hoaxing, swindling and snatching. More than anything else, all has been done with a high degree of procedural and professional sophistication. Such heinous financial corruption and profiteering through regulatory arbitrage find few parallels in human history.

"Corruption 2.0" also includes political donations and lobbying. In China, people tend to regard those agencies from other provinces stationed in Beijing as sources of corruption whereas thousands of lobbying groups and agencies in Washington DC are regarded as America's civil society. Purchasing and selling official posts are forbidden in China whereas in the United States those who donated more stand a chance to be chosen as

America's ambassadors. The financial service industry "now employs more lobbyists than any other: four per congressman. Wall Street has all but dug an underground passage to the treasury: Four of the past seven treasury secretaries had close ties to investment banks", John Micklethwait and Adrian Wooldridge wrote in their new book *The Fourth Revolution*.[11] It is not an exaggeration to say, at least from a Chinese perspective, that it has become common in the United States to legitimize many corruption practices. Tolerance of "corruption 2.0" in the United States may eventually bring more problems to the United States and speed up its decline.

Some think that the US economy has already begun to recover, while others remain quite skeptical. Washington has used the taxpayers' money to bail out those bankrupt banks, which, in turn, continue to invest in stocks and real estate, and virtual economic entities. That is why the stocks and the exchanges and real estate have shown signs of recovery, but the deep structure of the American economy remains unchanged. To many insightful observers, the 2008 crisis is more a structural than cyclical crisis. For instance, economist Justin Lin observed that over these years, the United States has failed to substantially improve its economic structure. In the past, after each severe recession, the recovery used to be signaled by a growth rate of 7–8%. But this time, nothing like this has occurred.[12]

Even if the American economy has shown signs of recovery since 2009, according to David Cay Johnston of Syracuse University, "the wealthiest 10 per cent of Americans have taken 149 per cent of the growth since 2009 (the bottom 90 per cent have seen their incomes shrink). The top 1 per cent — those earning $366,623 or more — have taken 81 per cent of the fruits of the recovery. And the top one in 10,000 — those starting at $7.97 million a year — hogged an astonishing 39 per cent of the growth. That means America's top 15,837 households have gained almost as much as the remaining 158.4 million."[13]

What lies behind the US predicament is to a great extent the problem of American political system: democracy in the United States has been largely kidnapped by the well-organized and mobilized interest groups. The "separation of powers" is merely confined to the political domain, but in a modern state, at least three powers (political, social and capital) from the three domains (political, social and economic) are interacting with each other, thus shaping the trajectory and the fate of that country. Indeed, a modern political system of good governance should be able to guarantee

that there be an equilibrium of the political, social and capital powers to act in favor of the interests of the majority. In the case of the United States, predominance of the capital power over political and social powers apparently has led to the decline of “the American Dream”, and more will be said on this point towards the end of this chapter.

2.3 Reflections on the Western Model

Over the past two decades, the United States and some other Western countries have been advocating their political and economic model to the outside world, and this model, from a Chinese perspective, can best be described as “market fundamentalism” and “democracy fundamentalism”. The end result of this effort is discouraging: the color of the “color revolution” has faded away, with Ukraine degenerating into civil war. The “Arab Spring” has become the “Arab Winter”, with the continuous chaos engulfing Egypt, Libya and the Yemen. The Western countries have been advocating this model with so much enthusiasm that some of them have genuinely believed in it only to find themselves now in a state of deep troubles or even bankruptcy or near bankruptcy as in the case of Iceland, Greece, Portugal and Italy. The US economy is not doing well either. A striking contrast with this is China, which has adhered to its own political and economic model and is rising fast, and its people’s living standards have vastly improved.

In view of these facts, some reflections on the weaknesses of the Western institutions have taken place. In March 2013, the *Economist* published a long cover story entitled “What has gone wrong with democracy?”, confessing that “the Western democracy has stagnated globally, even has probably begun to reverse its course … between 1980 and 2000, democracy encountered a little setbacks, but after the millennium, it met more and more frustrations.” The article ascribed this frustration to two reasons: “the financial crisis of 2007–2008 and the rise of China.” The author even quoted my critique of the Western model: “Western democracy is now undermining the West, especially the US for the institution is now institutionalizing the political stalemate, mediocrizing the decision-making, even turning out such second-class leaders as George W. Bush.”[14]

What really has gone wrong with Western democracy? It seems to face three major challenges: money politics or what I call “monetalkracy” (i.e. “money-talk-racy” rather than “demo-cracy”), a dysfunctional state, and indebted economy. “Monetalkracy” has exposed itself to the full in this financial crisis. The *Economist* article commented: “money talks louder in American politics. Thousands of lobbyists (more than 20 for every member of Congress) add to the length and complexity of legislation, the better to smuggle in special privileges. All this creates the impression that American democracy is for sale and that the rich have more power than the poor, even as lobbyists and donors insist that political expenditure is an exercise in free speech …”. A “milestone” of “monetalkracy” is the verdict made by the US Supreme Court in 2010 to set no ceiling for the campaign contributions from corporations. Harold Meyerson, the columnist of the *Washington Post* exclaimed: “This verdict seems to have proven the criticism of American democracy made by the Chinese, that is, American democracy is a game for the rich.”[15] Not long ago, the US Supreme Court made another verdict to set no ceiling for individuals’ campaign contributions. As such, even the right-wing Senator John McClain sighed with uneasiness: “From now on America may have endless scandals.” Francis Fukuyama also expressed his concern in his essay “the U.S. has little to teach China” that “in the American political system, money has become the trump card of election.”[16]

Dysfunctional state also manifests in the general decline of the quality of governance. In Iceland, state incompetence led to state bankruptcy. The governance in Greece and Italy were also chaotic, which put both countries into the crises that they are facing now. Belgium experienced more than 500 days without central government. Within the European Union (EU), the efficiency in solving concrete problems has been staggeringly low. Japan has changed its prime minister so frequently, eight or nine prime ministers in a matter of 10 years. The huge financial system in the United States was riddled with flaws. Even in the run-up to the outbreak of the financial crisis, Washington was not in the least aware of it, and the crisis has brought disasters not only to the United States, but to the rest of the world.

Dysfunctional state is also shown in America’s “polarized” politics, that is, the confrontation between its two political parties leads to what Francis Fukuyama calls “vetocracy” and “governance paralysis”:

> The most important strength of the Chinese political system is its ability to make large, complex decisions quickly, and to make them relatively well, at least in economic policy … Americans pride themselves on constitutional checks and balances, based on a political culture that distrusts centralized government. This system has ensured individual liberty and a vibrant private sector, but it has now become polarized and ideologically rigid.[17]

Political commentator Kishore Mahbubani took note of America's dysfunctional state at the end of 2013:

> I was in Bali for the APEC CEO Summit on October 7 where President Obama was unfortunately absent. China's President, Xi Jinping, was there and made quite a splash. The excitement that greeted Xi's arrival was palpable. Some of the more powerful countries saw firsthand a new world order in which America is distracted while China, by comparison, seems much more focused.[18]

Fukuyama also observed:

> Under such conditions, the much admired American system of checks and balances can be seen as a 'vetocracy': it empowers a wide variety of political players representing minority positions to block action by the majority and prevent the government from doing anything. … our political system makes it easier to prevent things from getting done than to make a proactive decision.[19]

Stein Ringen, professor emeritus at Oxford University and the author of *Nation of Devils: Democratic Leadership and the Problem of Obedience*, even issues a warning: the United States and Britain may have reached the point at which the Athenian democracy collapsed. "The three branches of government are designed to deliver through checks and balances". But they have become a gridlock, and the United States is not getting the governance it needs. And any onlookers can discern that the link between inequality and inability is on sharp display. Ringen mentions that power has been sucked out of the constitutional system and usurped by actors such as political action committees (PACs), think tanks, media and lobbying organizations. "In Athens, democracy disintegrated when the rich grew super-rich, refused to play by the rules and undermined the established system of government." He deplored that "America has declined to the model of dysfunctional democracy."[20]

As for the indebted economy, almost all Western countries today are indebted and have overspent themselves, that is, by borrowing new debts to pay off the old ones so as to fend off the looming economic and fiscal crises. Politically, the politicians under Western political model vie with

each other to attract votes by promising welfare and other benefits, thereby exhausting their national treasuries. It is for this reason that the debt crisis struck across most part of Europe, especially southern Europe. The same holds true for the debt crisis in the United States, as *The Economist* put it:

> The biggest challenge to democracy however comes neither from above nor below but from within — from the voters themselves. Plato's great worry about democracy, that citizens would 'live from day to day, indulging the pleasure of the moment', has proved prescient. Democratic governments got into the habit of running big structural deficits as a matter of course, borrowing to give voters what they wanted in the short term, while neglecting long-term investment. France and Italy have not balanced their budgets for more than 30 years. The financial crisis starkly exposed the un-sustainability of such debt-financed democracy.[21]

2.4 Diagnosing the Western Institutional Weaknesses

We should also examine and diagnose the Western political system by using the Chinese standards and try to understand what kind of "diseases" the Western model has contracted. To this author, the Western model has contracted the following five syndromes: lacking the spirit of "seeking truth from facts"; lacking a meritocratic mechanism; lacking competence for good governance and accountability; lacking a comprehensive balancing system; and lacking a long-term planning mechanism. Now let us look at these syndromes one by one.

(A) Lacking the spirit of "seeking truth from facts"

The biggest problem facing the Western political system is its dearth of the spirit of "seeking truth from facts", which is the political value underpinning China's dramatic rise over the past three decades. This is especially so when most Western politicians seem unable or unwilling to grasp the true reality and deal with it as it is. The Western countries boast that they enjoy freedom of speech, yet there are so many ideological taboos in Western political and social life, and to be politically correct is obviously far more important than to have real freedom of speech. As a result, it has a tendency to turn things ideological both internally and externally. Politicians usually adopt the "election politics", gearing whatever they say or do towards getting themselves elected. For example, the financial and economic crises in the United States were in essence caused by the

insufficient financial supervision and the excessive power of the capital over the political system. But the two American political parties were reluctant to view these issues with a truth-seeking attitude. Instead they shifted blames on each other or even on China. In 2008 when the financial meltdown broke out, the Republican Party threatened to use “filibuster” to paralyze 80% of major legislative bills in Congress. This kind of internal infighting has continued to this day. No wonder the *Financial Times* published an op-ed on August 5, 2011 entitled “Washington’s Appetite for Self-Destruction”, deploring that “it is difficult to remember a more dismal moment in American politics,” and that “a Congress dominated by mindless cannibals is now feasting on a supine president. But surely even he now realizes there is no middle ground with antagonists whose only interest is in seeing you humiliated.”

In external relations, the foreign policies adopted by the Western countries, especially by the US, are heavily ideological. Many Western politicians and the mass media seem still living in the “age of theology”, refusing to face squarely the changed world, and they still cling to the outdated dichotomy of “democracy vs. autocracy” with a Cold War mentality still largely prevailing in their understanding of China. What’s more, to them, democracy is simply defined as “multi-party system” and “one person one vote”, as if unaware of so many fiascos caused by this kind of democracy in countries ranging from Haiti to Iraq, to Afghanistan, to the Democratic Republic of Congo, and to Ukraine, and the list goes on. Many so-called democracies are characterized by a cycle of election, chaos, election again and chaos again and even wars.

(B) Lacking a meritocratic mechanism

The Western world today suffers from a lack of competent leaders with strategic visions. Multi-party democracy has become increasingly a kind of “showbiz democracy”, i.e. more about showmanship than leadership, and democracy has degenerated into elections, elections into marketing, marketing into competing for money, resources, public relations, for tricks and ruses, for shows and images. Promises made by politicians are not meant to be honored. All they do is to present a great show and win the next election. This kind of democracy tends to produce politicians capable of

talking a lot but doing a little, a far cry from the expectations of the Chinese public for their leaders.

The fact that Greece, Portugal, Italy and Spain of southern Europe experienced financial and debt crises in a succession is inseparable from their lack of visionary and competent leaders and lack of a meritocratic system to select such leaders. Politicians all try to curry favors with their voters by promising welfare and other benefits, which eventually exhaust their national treasuries. Silvio Berlusconi of Italy and George Papandreou of Greece are such cases in point. Prime minister Papandreou's grandfather, father and he himself are all prime ministers of Greece, making a good example of "dynastic politics" of small circles. Prime Minister Berlusconi was one of the wealthiest persons in Italy, controlling much of the media in Italy. Despite all the scandals, he served as the prime minister of Italy for three terms. These countries were once prosperous, but inept leadership and lack of a meritocratic mechanism are a major cause of their sharp decline over the past decades.

(C) Lacking competence for good governance and accountability

Without the spirit "seeking truth from facts" or a meritocratic system, it naturally erodes the quality of governance. Standard & Poor's decided to downgrade the credit ratings of the American government in 2013, mainly because "the increasing uncertainty of American political decision-making process" causes "low trust in American decision-making mechanism". The sharp clashes between the Democratic Party and the Republican Party seem to have turned American democracy into the byword for low efficiency and shirking responsibility. Although accountability remains a buzzword in the US political narrative, yet measured by the Chinese standards, so many years have passed since the 2008 financial crisis, few traces of accountability can be detected, and not a single individual has been held accountable for the devastating crisis.

(D) Lacking a comprehensive balancing system

One of the major causes of the Western crises is the grave imbalance between state revenues and expenditures, which creates severe financial deficits and an indebted economy. No better example to illustrate the unsustainability of such an imbalance than the unfolding crisis in Greece. In a broader context, Western political structure also lacks a balance between the political power, social power and capital power. Such an imbalance has turned some leading Western democracies into what I call “monetalkcracy” as shown particularly in the case of the United States. A main source of funding for President Barack Obama is believed to come from the Wall Street, and it is therefore understandably difficult for him to push reforms in the financial sector. In other words, the imbalance of the three powers in favor of the capital power is hurting the fundamental interests of the American public. From a Chinese perspective, without a comprehensive balance between the three powers acting in favor of the interest of the majority, it will be difficult to take care of the overall interest of the society.

(E) Lacking strategic planning

Another major flaw in the Western political system is its lack of a holistic vision and strategic planning, which results in a vast array of myopic decisions and behaviors. The bankruptcy of the state of California is a case in point. The short-sighted populism adopted by Californian politicians forced them to vie with each other in tax reduction (such as reducing property tax and canceling automobile tax), plunging the state into bankruptcy. When the state wanted to reintroduce the automobile tax, the senate resisted, creating a vicious cycle for the state finance.

Michael Schuman, the *Time* magazine columnist summarized the lack of holistic vision and strategic planning in the following way:

> The core of the political problem on both sides of the Atlantic is the same — the demands of electoral politics in a modern democracy. In the U.S., both Republicans and Democrats took positions in the debt debate aimed at protecting their loyal voters. For the Republicans, that meant resisting tax increases on their rich supporters; for the Democrats, rescuing middle-class entitlement programs and welfare spending from Tea Party budget butchers. In Europe, political leaders like German Chancellor Angela Merkel make decisions on how to fight the euro crisis with one eye on voters back home. In other words, the politicians of the West are choosing the narrow interests of electoral victories over the greater, long-term good of their nations. Rather than focusing on closing deficits, improving economic competitiveness or

forwarding the dream of European integration, they're looking no further than the next vote count.[22]

Taken as a whole, the five syndromes of the Western political system also manifest in what the Chinese call "*kongtan wuguo*" or "empty rhetoric leads the nation astray." The US President Barack Obama was sworn in by chanting "change", but what kind of change he has made? How many promises has he kept? The Wall Street is still largely business as usual. Obama promised to reduce the sovereign debt, but it went up from the original US$1.1 trillion to 1.7 trillion. It reminds me of Deng Xiaoping's comment in 1983 on the American political system: "The United States brags about its political system. But politicians there say one thing during a presidential election, another after taking office, another at mid-term elections and still another with the approach of the next presidential election. Yet the United States says that our policies lack stability. Compared with its policies, ours are very stable indeed."[23] This may well be the main reason why the American public increasingly lose trust in their politicians, as shown in the Gallup 2014 survey on the American people's confidence in Congress: only 4% are "highly confident" and 3% "fairly confident". Altogether, 7% had confidence in Congress in 2014.

In this sense, Western-style democracy is somewhat comparable to a spoiled child. If the child has his or her family fortune, like many of today's Western countries, of course, he or she may still have resources to squander, but this situation may not last forever, as we live in a world of fierce international competition. As for developing countries without such family fortunes, if they catch such diseases and become spoiled, they are likely to be left hopeless forever. As a matter of fact, many in the West have come to realize the seriousness of the problem. About 1,000 Belgium citizens, after the country going through a crisis of more than 540 days without a central government, published their G1000 *Manifesto* in November, 2011, vehemently criticizing the failure of Western democracy to keep pace with the changing times: Innovation is everywhere, except in democracy. Companies must innovate, scientists must cross boundaries, athletes must break records and artists must reinvent themselves. But when it comes to the organization of society, we are clearly still happy with the procedures of 1830. … But why should we be obliged to stick to a formula that is almost

two centuries old? If democracy is no longer facilitated by elections, or even hindered by it, then citizens should help find democratic alternatives.[24]

2.5 The Three "Genetic Defects"

We have talked about the various syndromes of the Western political system and criticized the Western politicians' "empty rhetoric leading the nation astray", but does this point to a broader and deeper problem? I incline to think so. The present practice of Western-style democracy has exposed some of its inherent weaknesses, which may be called "genetic defects". And more importantly, if these "genetic defects" continue unchecked, history may in time prove that the Western-style democracy as practiced in today's world may well be merely a short episode in the long course of human history. Why do I make such an assertion? If history is pushed back to 2,500 years ago, some Greek "city-states" (extremely small by Chinese standards) practiced some form of rudimentary democracy, which excluded women and slaves, and this democracy was later defeated by the Spartans. For roughly 2,000 years since, "democracy" in the West was mostly a derogatory term, a rough equivalent of "mob politics".

When the Western countries more or less completed their process of industrialization and modernization, they began to introduce a democratic system of one-person-one-vote. Take the United States as an example. Its real practice of one-person-one-vote did not start until 1965. In other words, the time lag between this democracy and China's opening up and reform which started in 1978 is merely 13 years. Of course, there are huge civilizational and cultural differences between the two countries and between the two systems. Since the US model and the China model do not have a wide gap in terms of time, we might as well make a comparison of the two models and see which model is reasonably better. Personally speaking, I bet the China model.

Historically, Western political elites, the founding fathers of the United States included, were much more cautious than today's Western politicians about democracy. Most of them tend to emphasize republicanism and rule of law as a way to preempt populism that may be brought by the practice of democracy. But with the end of the Cold War and with what Francis Fukuyama perceived as the "end of history", one can discern clearly not

only the arrogance of the West about its political system, but also the huge costs to the West itself originated from this arrogance. The United States has been marketing the American-style democracy worldwide with missionaries' zeal, pushed for the so-called the "third wave of democratization", which, for a time, seemed to have gathered momentum. But with a lapse of two decades, few positive achievements have been registered, at least by Chinese standards.

On many occasions I have reiterated such a view: if a non-Western society copies the Western political system, it usually ends up in two scenarios: one is "from euphoria to despair" ("从希望到失望") as shown in the Philippines, Thailand, Ukraine and Taiwan. The other is "from euphoria to anarchy" "从希望到绝望" as shown in countries like Iraq, Libya and Afghanistan. The question facing us now is: will this scenario occur to the Western countries themselves? As the financial crisis, debt crisis and economic crisis have wreaked havoc in both Europe and the United States, such possibility cannot be completely ruled out now. It is true that Western countries have not yet plummeted into desperation, and this is in part because they still possess the wealth accumulated over the past centuries and enjoy certain prerogatives in the existing world order such as the status of the US dollars as international reserve currency. But many of them have experienced (if not from euphoria to despair) from despair to despair. The Pew surveys in 2009 and 2012 seem to confirm this conclusion: the level of satisfaction with their countries were respectively 30% in 2009 and 29% in 2012 in the United States, 30% and 30% in the UK, 32% and 29% in France and in 25% and 11% in Italy. One can no longer rule out the possibility that some Western countries may eventually slide into the third world status, as is seemingly happening to Greece.

What are the "genetic defects" of the Western political system? To my mind, the three presumptions underpinning the democracy in action in much of the world today are perhaps its three "genetic defects": namely, (1) human beings are rational; (2) rights are absolute; and (3) procedures are omnipotent. The rational human being assumption assumes that humans can exercise their reason to think and make rational choices in casting their votes. So far all social studies have proven that humans can be both rational and irrational, and even ultra-irrational. With the rise of the new media, the irrational side of humans may well be played up more easily. So many politicians tend to take advantage of voters' irrationality, playing the

populist card in order to win votes and personal gains. In the past, Adolf Hitler came into power this way. Populist politicians destroyed the former Yugoslavia this way. The rise of the new media and the growing role of money in political life today have furnished a fertile ground for playing up the irrationality of human beings.

American political scientist Bryan Caplan, in his book *The Myth of the Rational Voter*: *Why Democracies Choose Bad Policies*, pinpoints the problems with the rational human being assumption.[25] He notes that "rational voters' bias" allow their votes to be exploited by various interest groups and populist politicians. For instance, when the "rational voters" have the inclination towards high "social welfare", then the politicians will play the card "high social welfare." As a result, the Western countries have one after another plummeted into debt crises. Caplan believes that the failure of democracy can be ascribed largely to the "rational farce" of the voters: most American voters are ignorant about the complicated political issues and their bias and prejudices are strong, and they often screw up the voting by carrying forward their "prejudices". Governments' policy initiatives also go astray with this kind of "prejudices." He urges the United States to improve the "quality" of democracy rather than the "quantity" of democracy by suggesting that the United States needs more "high-quality voters" in order to settle the quality conundrum of the American political system.[31]

As we all know, voters in the collective sense, like any individual, have their limitations. He or she is constrained by his or her vision and interest and it is therefore difficult for him or her to see the society's overall and long-term interests. The irrational choices made by voters are marked by the spread of short-sighted populism in the West and elsewhere. In comparison, the China model is significantly different, and the decision making process under the China model is what's called "the mass line" or "from the people, to the people", i.e. several rounds of decision-makers going out to consult with the people with a draft decision until final consensus is reached on it, which usually takes better care of both individuals' interests and the society's interests. The past three decades of experience have proven that the decisions made by the Chinese government are far less populist than those made in the West.

The presumption of "rights are absolute" is also a problem, notably the overinflated individual rights and the decline of individual responsibilities.

In addition, there are so many rights, each of which is exclusive, non-derogative and absolute, leading to conflict of different rights. If one looks at the United States today, one finds the grave problem of rights conflicting with each other: the gay rights and the rights of anti-gays; the right of those who support abortion and those who oppose abortion; the right of religious believers and the right of non-believers; the right of privacy defenders and the right-to-be-informed defenders. This kind of conflict causes a heavy toll to the American society. For one thing, the traditional family structure in the United States has to a great extent disintegrated, and family members each emphasizing their individual rights and liberty, instead of their responsibilities and obligations. American family structure has thus shifted from "traditional family" society (a couple plus children) into what's called "non-traditional family" structure, including single parents family, gay parents, same sex couples, etc. It is reported that in 1970, the proportion of "traditional families" still accounted for 40% in the United States, but by 2012 it dropped to 19%.[26] About a decade ago, the movie *The Joy Luck Club* struck the chord of many Americans because in the movie generations of Chinese family members still kept talking to each other and sharing family stories from the past. Such a scene is indeed rare in the United States. Non-traditional family structure also means many children are born out of wedlock, and this kind of family structure is to a certain extent responsible for the high crime rate in the United States. In comparison, China's social cohesion is much stronger than the United States, and China's social development should continue to follow its own model, rather than following the American model.

"Rights are absolute" on the political plane is embodied by the polarization of American politics. More and more people now maintain that the two political parties in the United States have, for too long, put their own rights above the national interest of the whole country. When the 9/11 occurred in 2001, the two parties reached a rare consensus for a while. But soon after that, the bipartisan consensus dissolved and are replaced by continuous infighting. Mary Ann Glendon, a Harvard scholar, in her book *Rights Talk: The Impoverishment of Political Discourse* deeply lamented this situation: The US is a country where there are the richest kinds of rights and the firmest faith in rights, but the American-style rights discourse, the extravagance in granting rights, empty rhetoric, absolutizing of individualism and parochialism, coupled with its silence on the

responsibility of individuals lead to the “closeness of rights, isolation of the rights owners and impoverishment of social responsibility.”[27] On the contrary, the balance between rights and responsibilities and the balance between different rights that the Chinese society emphasizes point to the future of a more humane and in many ways more coherent society.

The belief in procedural importance is important, but in real practice of Western democracy, the procedures are often viewed as sacred and omnipotent. Western democracy has thus evolved into a procedural democracy, and once the procedure is deemed right, it does not matter whoever comes into power. Stein Ringen explored the procedural dilemma facing the American political system. He highlights the “uncontrollable legislation” as manifested in the fact that interest groups use lobbying to have their own interests protected, increasingly prolonging the time for Congress to pass the bills in question. “The American tax code grew from 1.4 million words in 2001 to 3.8 million words by 2010.” “If all the volumes were stacked, they would stand 5ft tall, forming a bloated set of rules often incomprehensible to all but the most expensive accountants.”[28] The dilemma is that if the United States wants to change this situation, it needs to amend the Constitution, yet constitutional amendments have to go through some impossible procedures, which are simply prohibitive. In other words, due to procedural reasons, reforms can hardly be “authorized by democracy”, and “How can you expect a sick man to cure himself”? Stein Ringen deplores. Rule of law has been jeopardized by its rigid procedures, and procedural justice has thus become an effective weapon to prevent reforms and protect vested interests, rather than a new instrument to encourage reforms and promote innovations. Once the procedural justice has been taken as justice itself and made absolute, the consequence is often injustice.[29]

The same dilemma caused by this kind of procedural justice has also occurred in the economic and social fields. Chinese economist Chen Ping has made a study of the time required from the inception of an innovation to its industrial production in the United States and concludes: the United States is still ahead of other countries in innovations, yet the average cycle is about 10 years for a new technology to go through a process of lobbying and procedural approval, readjustment of relevant laws and regulations, trial production and mass production. In contrast, it takes about 20 months to complete such a cycle in China, approximately 1/5 of the time taken in the

US.[30] And for this reason, not only American manufacturers have moved to China, but many R&D institutions have also moved to China.

That said, as far as China is concerned, it needs to strengthen its rule of law and procedural justice, and China remains relatively weak in both areas. But China needs to take a long vision and look beyond the American model. Rule of law and the procedural justice indeed matter a great deal, but they themselves need to move ahead with the changing times. Otherwise, a country is bound to lose its dynamism.

---

1 "The American Dream is Well and Alive in China", *The Globalist*, November 23, 2010, www.theglobalist.com.

2 "国内医疗差？咱俩换换？·序", 见"移民中国"博客 ("Shall We Exchange Our Medical Services?", *Blogs on Immigration*), http://blog.sina.com.cn/s/profile_1771629805.html.

3 民政部:目前全国 2.05亿人享有基本养老保险 (Civil Affairs Ministry: 205 million Chinese have pensions, *China News*, July 4, 2013), http://www.chinanews.com/gn/2013/07-04/5000575.shtml.

4 The 2011 Survey conducted by AARP Public Policy Institute.

5 张维为:《中国触动:百国视野下的观察与思考》, 第 202—203页 (Zhang Weiwei, *The China Ripple*, Shanghai People's Press, Shanghai, 2012, pp. 202–203).

6 "The Department of Public Security: The Incidence of Murder per 100,000 People in China is Lower than that in Japan and Switzerland", http://www/guancha.cn/soceity/2013_02_26_128510.html, February 26, 2013.

7 See《中共中央关于全面深化改革若干重大问题的决定》(The Decision on Major Issues Concerning Comprehensively Deepening Reforms adopted at the close of the Third Plenary Session of the 18th CPC Central Committee on November 12, 2013).

8 Donald L. Barlett and James B. Steele, *The Betrayal of the American Dream*, Public Affairs, New York, 2012.

9 Donald L. Barlett and James B. Steele, *The Betrayal of the American Dream*, Public Affairs, New York, 2012.

10 Joseph Stiglitz, "Equality of Opportunity, Our National Myth", *The New York Times*, February 16, 2013.

11 John Micklethwait and Adrian Wooldridge, *The Fourth Revolution: The Global Race to Reinvent the State, Allen Lane*, Penguin Books, London, 2014, p. 239.

12 刘丽娜："美国经济复苏加快对中国影响几何"，新华网，2014年 1月 12日 (Liu Lina, "To What Extent will the Recovery of American Economy Affect China?", Xinhua News, January 12, 2014), http://news.xunhuanet.com/world/2014-01/12/c_118932301.html.

13 Edward Luce, "US Inequality will Define the Obama Era", *Financial Times*, May 31, 2013.

14 "What's Gone Wrong with Democracy?", *The Economist*, March 1, 2013.

15 "美国最高法院推翻政治捐款限额:'钱主政治'更将大行其道", 人民网, 2014年 4月 3月 ("Money politics will prevail", *Peoplenet*, April 3, 2014), http://world.people.com.cn/n/2014/0403/c42355-24820245.html.

[16] Francis Fukuyama, “US Democracy Has Little to Teach China”, *Financial Times*, January 17, 2011.

[17] Francis Fukuyama, “Why are We Still Fighting over Obamacare? Because America was Designed for Stalemate”, *The Washington Post*, October 6, 2013.

[18] 马凯硕: “中国经济崩溃只是西方想象?”, FT中文网 2012年 10月 15日 (“Kishore Mahbubani, China’s Economic Collapse is None Other Than the Western Imagination, *Financial Times Chinese Net*, October 15, 2012), http://www.ftchinese.com/story/001046950.

[19] Francis Fukuyama, “The Decay of American Political System”, *National Interest*, Issue of January–February, 2014. See also http://news.xinhuanet.com/world/2014-04/08/c_126364443.htm.

[20] Stein Ringen, *Nation of Devils: Democratic Leadership and the Problem of Obedience*, New Haven, Yale University Press, 2013, p. 8.

[21] What’s Gone Wrong with Democracy?”, *The Economist*, March 1, 2013.

[22] Michael Schuman, “Can Democracy Solve the West’s Economic Problems”, *The Time*, August 3, 2011. See http://www.qstheory.cn/dd/2011/xfzdwj/201110/t20111011_115582.html.

[23] Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, Beijing, Foreign Languages Press, 1994, pp. 41–42.

[24] G1000 Manifesto, http://www.eurozine.com/articles/2011-11-02-G1000-en.html.

[25] Bryan Caplan, *The Myth of the Rational Voter: Why Democracies Choose Bad Policies*, Princeton University Press, Princeton, 2008.

[26] “美国妈妈’竟有四成是单身”,《国际先驱导报》2012年 6月 15—21日 (“40% of American Moms Are Single”, the International Herald Tribune, June 15–21, 2012).

[27] Mary Ann Glendon, *Rights Talk: The Impoverishment of Political Discourse*, translated by Zhou Wei, Beijing University Press, Beijing, 2006.

[28] Quoted in Stein Ringen, *Nation of Devils: Democratic Leadership and the Problem of Obedience*, Yale University Press, New Haven, 2013, p. 174.

[29] Stein Ringen, *Nation of Devils: Democratic Leadership and the Problem of Obedience*, Yale University Press, New Haven, 2013.

[30] Chen Ping’s presentation on the China model at the Guangda-Shiji China Forum held in Hong Kong on December 19, 2011.

CHAPTER 3

BEYOND THE WESTERN INSTITUTIONS

3.1 A Memory of Deng Xiaoping and His China Model

Back in the mid-1980s, I was working as a senior English interpreter at the Chinese Foreign Ministry and had chances to work for China's top leadership. I still remember clearly the first time when I interpreted for Deng Xiaoping, China's paramount leader, on August 26, 1985. That day he was to meet Prime Minister Robert Mugabe of Zimbabwe. Deng Xiaoping arrived at the Fujian Hall of the Great Hall of the People 20 minutes before the meeting. He shook hands first with those from the Foreign Ministry, and Foreign Minister Wu Xueqian introduced me to Deng, and Deng's eyes looked calm and amiable. He asked me, "Where are you from?" I replied, "Shanghai". He paused a bit, as if the word Shanghai brought back some memories. "Do you know Avenue Jaffre?" He asked. I hesitated for a second, then confirmed by saying "You mean Huaihai Road?" He nodded with a smile. Huaihai Road, one of Shanghai's most famous shopping avenues, used to be called Ave. Jaffre during the 1920s and 1930s when it was part of the French Concession, and Deng was apparently somewhat

nostalgic about his activities as a young Communist leader operating in the French Concession during that era.

That day's meeting left a deep impression on me. Back then Robert Mugabe was concerned that China was to jettison socialism. Deng Xiaoping explained time and again China would remain socialist. Eventually I witnessed with my own eyes some signs of impatience in his face, and Deng Xiaoping made such a strong-worded observation: "We still have the powerful state apparatus in hands!" He added, "If there were a major deviation from the socialist path, the state apparatus would intervene and pull it back on track."

When the meeting came to an end, Mugabe said to Deng Xiaoping, "I am convinced that you will live to see the return of Hong Kong." Deng Xiaoping chuckled, "It depends, I don't know if Karl Marx would agree." Then he added, "Perhaps one will have to negotiate with Karl Marx on this." His straight talk and sense of humor left on me a deep impression.

My impression of Deng is mainly four-fold: his vision, his ideas, his sobriety and his sense of optimism.

First, Deng is a remarkable strategist with an exceedingly long-term vision. While Western politicians talk about "what can be done in the next 100 days", Deng Xiaoping envisions "what can be done in the next 100 years". Today it is hardly possible to find another leader of such a strategic and long-term vision. To him, once long-term vision and strategies are laid down, short-term issues could be handled with relative ease. And that is why in his famous 1992 southern inspection talk, Deng reiterated the importance of unswervingly adhering to the China's grand strategy for socialist modernization for 100 years. As early as the early 1980s, he proposed a "three-step development strategy" to ensure that China grow into a developed country by the middle of the 21st century. This strategy has been followed till this day.

Second, he is a man of ideas. As aforementioned, Deng Xiaoping is a strategic thinker. The image he evokes in my mind is often this one: sitting silently and thinking, with a cigarette in his right hand, eyes staring ahead. Before meeting foreign dignitaries, he would listen to briefings first. Then, he would sit and contemplate for a while before the official meeting started. He liked to talk about "what is churning over in my mind". His fresh and original ideas were often enlightening. A good example was his comment on the market economy in his 1992 talk: "The proportion of planning to

market forces is not the essential difference between socialism and capitalism. A planned economy is not equivalent to socialism, because there is planning under capitalism too; a market economy is not capitalism, because there are markets under socialism too. Planning and market forces are both means to running economic activity."[1]

Third, he is a man of sobriety. Deng Xiaoping is a very clear-headed statesman. He believes that true knowledge and genuine wisdom stem from practice. He insisted on verifying new ideas and practices through a period of experimentation before deciding whether extending them in China. On many occasions, he emphasized the importance of rejecting dogmatism and respecting innovations from the people. For instance, the "household contract responsibility system" (adopted after decollectivization in the late 1970s) was practiced in the rural areas of a few provinces first, and it was Deng Xiaoping who lifted it onto the national level and extended it across the country. This practice-based reasoning has allowed China to avert falling into the traps of what can be called "democracy romanticism" and "market romanticism".

Finally, he is a leader of optimism. Deng Xiaoping is on the whole open-minded and optimistic. His life has teetered to the brink of death many a time; his fate has fluctuated many a time. When a cup contains only half water, he saw the full-half rather than the empty-half. Whenever a crisis emerges, he would see it as an opportunity.

Deng Xiaoping's 1992 talk may help us better appreciate Deng as a visionary leader. The year 1989 witnessed the political storm in China; 1990–1991 saw dramatic changes in Eastern Europe and December 25, 1991 witnessed Mikhail Gorbachev's resignation and the disintegration of the Soviet Union. With the Soviet red flag having taken down, the Western world experienced euphoria. This is precisely what Francis Fukuyama depicted as "the end of history". Pessimism embraced China then. Even many high-ranking officials began to doubt "how long the red flag will continue to fly in China". Against this backdrop, some insisted on a wholesale resistance to Western "peaceful evolution", i.e. ideological infiltration from the West. More than anything else, they even assumed that more foreign investment would mean more capitalism to China. Many initiatives in reform and opening up were stopped, and China's economic growth slumped.

At this critical juncture, Deng Xiaoping displayed his remarkable vision and courage. What he saw in this critical turn is opportunities for China and for Chinese socialism. Yet he seemed to sense that many people around him failed to see these opportunities and he felt the urgency. Just 20 days after the disintegration of the Soviet Union, the 88-years-old Deng started his inspection tour of south China and made his points loud and clear.

Of all the Chinese leaders, Deng Xiaoping is certainly the one who knew the Soviet Union and Eastern Europe best, and knew the Soviet model best. He studied in Moscow for almost a year in 1926 and after 1949 he paid seven visits to the Soviet Union and met nearly all of the top leaders of the Soviet Union and Eastern European countries of that era. His basic assessment of these countries was: first and foremost, they all failed in developing the economy and improving the living standards of their peoples. In 1990, I went to the Soviet Union, seeing with my own eyes the mostly empty shelves in the biggest department store in Moscow, and in front of a few commodities available were the long queues of customers. Signs of economic bankruptcy were everywhere. That was why Deng Xiaoping stressed time and again in his southern inspection tour: “If we did not adhere to socialism, implement the policies of reform and opening to the outside world, develop the economy and raise living standards, we would find ourselves in a blind alley.”[2]

Deng Xiaoping’s another conclusion was that the quality of the Soviet leadership was low. It is said that with regard to Gorbachev, Deng Xiaoping made such a comment in private: this guy looks very smart, but in reality very dumb. I relayed this comment to many Russian friends who tended to share Deng’s assessment. Although the Soviet Union had a vast array of problems, in retrospect, it stood a good chance of resolving them through earnest reforms, but it turned out that the Soviet leaders blindly believed in the American model, which inevitably led to the disintegration of the country.

Prior to his southern inspection talk, Deng Xiaoping had already made a series of comments on the state of affairs in the Soviet Union and Eastern Europe. On September 4, 1989 he put it this way: “I think the upheavals in Eastern Europe and the Soviet Union were inevitable. It is hard to predict how far they will go; we still have to observe developments calmly.”[3] He further expressed the view: “If, while these countries are in turmoil, China doubles its GNP in real terms for the second time, according to plan, that

will be a success for socialism. If we have basically realized modernization by the middle of the next century, we shall have further reason to say that socialism has succeeded."[4] On July 11, 1990, during his meeting with the former Prime Minister of Canada Joseph Trudeau, he pointed out: "After the events in Eastern Europe, I told some Americans not to rejoice too soon. This situation was complicated enough, the problems of Eastern Europe had not been solved, and it would be better for people not to provoke more trouble."[5] On December 24, 1990, when Eastern Europe and the Soviet Union had shown a seismic shift, Deng Xiaoping said "The domestic and international situation has been better than we had anticipated."[6] On August 29, 1991, just four months prior to the falling apart of the Soviet Union, Deng said: "Great changes are taking place in the world, and this gives us an opportunity."[7]

In many ways, Deng Xiaoping then was making a risky move. He made it clear that China should "utilize" foreign capital to the full on the condition that "foreign capital" was a supplement to China's socialist economy and to China's overall strength. His bottom line was that China should not be controlled by foreign capital. Rather, China should make use of it to strengthen itself and in the long run, to surpass the West. In hindsight, this is a step that perhaps only a country like China could take and succeed. Thus far, it is largely successful for China, as this is backed up by the China model of development and governance and by China's relative strengths, particularly its relatively strong and neutral state with a super-vast market, a high degree of political independence, strong industrial base and an educated labor force. Indeed, a lot of countries have attracted foreign capital, but quite often, their whole economy was eventually controlled by the Western capital. After all, the assets of many Western transnational corporations are larger than the total GDPs of these countries. What really amazes me is that Deng was full of optimism at the time of crisis, but today when the situation in China is much better than ever before, quite many Chinese have become pessimistic. This is strange.

There is still controversy about the China model within China. As far as I can remember, Deng Xiaoping has used the concept of "the China model" on many occasions. For Deng, the primary meaning of "the China model" is the Chinese approach to development and modernization. It is similar with *zhongguo daolu* (the Chinese path) and *zhongguo jingyan* (the Chinese experience). The controversy surrounding "the China model" today is a bit

surprising to me. I still remember the time when working as an interpreter, from time to time we had discussions about the difficult points we encountered in interpreting for Deng Xiaoping and other Chinese leaders. Amongst them, there was a discussion of whether "*zhongguo moshi* (the China model)" should be rendered into **"the *Chinese model*"** or **"the *China model*"** At last we decided on "the China model," an English expression which we took to be more faithful to Deng's original meaning. Deng Xiaoping has discussed "the model" or "the China model" many times, as my memory goes, mainly from the following three perspectives.

The first is in context of comparative politics. For instance, Deng Xiaoping emphasized repeatedly that "global issues cannot be settled by referring to one model." In July, 1990, when he met with Canadian Prime Minister Pierre Trudeau, he said: "The key principle governing the new international order should be noninterference in other countries' internal affairs and social systems. It won't work to require all the countries in the world to copy the model set by the United States, Britain and France."[8]

The second perspective relates to international Communist movement and the Chinese revolution. For example, in April 1980, when interviewed by a foreign journalist, Deng Xiaoping observed: "for a nation to gain victory, it mainly depends on its own strength; revolution cannot be imported or exported like commodities … revolution in a country and the settlement of issues in a country must be made in line with the country's own reality."[9] He admonished: "Since the victory of the Chinese revolution relies on its combination of the universal principles of Marxism and the Chinese reality, there should be no reason at all to require other developing countries to make revolutions by following the China model; nor should there be any reason to require developed capitalist countries to adopt the China model. … The party of a country, the people of a nation should be fully respected; it is up to them to explore, to search for their own road and settle their own country's issues; other countries should not act as the hegemony issuing directions and orders. We oppose others issuing directions and orders to us and we cannot do the same to others. This should become an important principle."[10]

The third perspective is about, as I said above, the Chinese approach to development and modernization. In 1985, when he met with Chairman Rawlings of Ghana, he said to the Ghanaian leader: "Do not copy our experience, and please explore your own country's model of development

according to your own national conditions." In May 1988, when meeting with the president of Mozambique, Armando Guebuza, he made this point very explicitly again: "Frankly, when we were copying the Soviet model of socialism we ran into many difficulties. We discovered that long ago, but we were never able to solve the problem. Now we are solving it; what we want to build is a socialism suited to conditions in China."[11] He counseled the Mozambique president: "you must always remember one point: suit your own conditions. You may want to refer to other peoples' experience, but that can be useful only as background information. The world's problems cannot all be solved by one model. China has its own model, and Mozambique must also find its own model."[12]

In my view, *zhongguo moshi* (the China model), in its narrow sense, differs from *zhongguo daolu* (the Chinese path) in the sense that the latter is obviously more ideological, it refers to what's officially called "socialism with Chinese characteristics", but in a broad sense, the two concepts are synonyms and interchangeable.

It is necessary for us to clarify several misunderstandings of "the China model" today. The first misunderstanding is that the use of the term "the China model" was initiated by foreign scholars. It is argued in some articles that Joshua Cooper Ramo is the first scholar who originated "the Beijing consensus" which includes his summary of "the China model". While we acknowledge Ramo's contribution to the research on the China model, we should also bear in mind that as early as 1980, Deng Xiaoping unequivocally used the concept "the China model", as mentioned above, and used it quite a few times in the 1980s.

The second kind of misunderstanding is that the word "model" implies "example and template", and that China cannot impose its own model upon others. As such, it would be better if we use it with caution. True, the word "model" has the meaning of "example and template", but it also has another broadly accepted meaning, that is, a summary of experiences and a pattern of behavior or phenomenon. Over the past three decades, Chinese have used the term "model" this way on many occasions such as "the Shenzhen model", "the Wenzhou model" and "the Pudong model" which are only summaries of the experiences of these regions in reform and opening up, without the least intention to impose them upon other regions of China. In 2006, I published an *op-ed* entitled "The Allure of the Chinese Model" in

The International Herald Tribune, discussing the China model in this way without causing any misunderstanding.[13]

The third view holds that China is far from perfect, and it is still too early to talk about the model properly. The fact of the matter is, however, despite its various inadequacies, like the case with other models, the China model has registered unrivaled achievements, as, for one thing, the living standards of the overwhelming majority of the Chinese people have vastly improved. Contrary to the end of history thesis, the past 20 or so years have simply witnessed the steady decline of the West. And more and more people in the West have come to realize that the Western model must be reformed, otherwise the Western decline may even speed up. In contrast, the China model is essentially an open model, which improves itself constantly and moves with the changing times. Its major features have largely taken shape and will continue to guide China into the future.

According to my observation, there are two camps of people who somehow object to the China model: one camp disagrees to the term, as they don't like the term proper, but they acknowledge that China has developed a set of its own practices, experiences and ideas, and they prefer to use the concept "the Chinese path", for the concept "the China model", in their view, gives the impression that it can be copied elsewhere. But as I have just mentioned, in a broad sense, "the China model" and "the Chinese path" are similar. On top of this, the term "model" has a wider international currency and is more acceptable and understandable, whereas the term "path" is less used and more difficult to understand outside China.

The other camp does not accept the China model at all. From their perspective, how can China have its own model? The only universal model is the Western model. The good thing is that most Chinese do not share this view. In retrospect, if China had not adhered to its own model of political and economic development, China would most probably have disintegrated like the Soviet Union, rather than risen up as is the case now.

Chinese scholar Pan Wei has made a mockery of the second camp by observing: critics of "the China model" are based on three grounds. First, China is "imperfect, with so many defects." But the question is whether there is a perfect country in the world? Surely, the United States is perfect, and there can only be "the US model", not "the China model". Second, China is still "in a flux of change". But again, the question is how can the existing world have a country which is changeless? How can a country

experience no change in decades? Surely, the United States remains unchanged for 200 years and so there can be "the US model", not "the China model". Third, China is so unique that its experience cannot be exported, and for that matter, the Chinese experience may be even toxic and harmful. Yet again the question is: How can a country's experience not be unique? Surely, the United States is not unique; its experience can be exported and copied, which will cause no harm to other countries. Naturally there can be "the US model", not "the China model".[14] As far as I can see, thus far it is hardly possible to find a successful case of copying "the US model" in the world, and it is so easy to find many failed cases in this regard. Even the United States itself has plummeted into financial and economic crises. Today's "the US model" may well be an object for reflection, rather than something to be copied.

True, the China model has its share of the problems, but, given its huge success, even at its current status, the China model is able to compete with the US model. As the China model has taken shape against all odds over the past decades, it is indeed full of vitality. President Xi Jinping has also used the term "the China model and the Chinese path" in several of his recent speeches. As a matter of fact he is merely speaking the truth, demonstrating China's top leadership's confidence in the China model and its institutional arrangements, which are in the overall and long-term interests of the Chinese people.

3.2 The Logic of the China Model

Less than a month after Deng Xiaoping met with Zimbabwean leader Mugabe, I had another occasion to interpret for Deng on September 23, 1985 when Deng met with Ghanian leader Chairman Rawlings. That day was quite unusual, for the Chinese Communist Party (CCP) held its special congress. And it was rare to convene such a congress between the two regular CCP National Congresses held every five years. Deng made his opening speech at the congress and stated that the past seven years marked "one of the best and the most crucial times since the founding of the People's Republic … We have mainly done two things: we have set wrong things right (meaning "correcting the mistake of the Cultural Revolution"), and we have launched the comprehensive reform."[15]

Two highlights emerged out of the congress: replacement of a number of the veteran leaders by a young generation of leaders: the Political Bureau underwent a reshuffling, with 10 out (Marshal Ye Jianying and nine other veteran leaders) and six in (Li Peng and five others). In addition, it was decided that 131 “old comrades” to retire from the CCP Central Committee, the CCP Central Advisory Committee, the CCP Central Disciplinary Inspection Committee, and they were replaced by relative young leaders. This change marked a major milestone to abolishing leaders’ life-long tenure system in China, something that Deng Xiaoping had desired for quite some time. In hindsight, the significance of this political reform for the long-term stability of China can never be overstressed. The regime collapse in many countries is to a great extent due to the leader’s life-long tenure system which leads to the ossification of the system and people’s general disenchantment (as in the case of Egypt and Tunisia, where top leaders stayed in power for decades). It is from this congress onwards that an orderly succession system based essentially on performance and meritocracy began to take shape in China.

The second highlight was that this congress proposed the seventh five-year plan. This plan differed from the previous six five-year plans in that it chose a new name “the five-year plan for national economy and social development”, instead of the previous “the five-year plan for national economy”, with “social development” added. This shows that as the economy grew and the opening up and reform deepened, China’s national planning expanded its scope to cover social development.

As soon as finishing his opening speech, Deng Xiaoping walked straight to the Fujian Hall, waiting for the arrival of the Ghanaian leader. He took a short break for about seven to eight minutes. When Zhou Jue, Chinese Assistant Foreign Minister, was about to brief him, Deng said, “I have read all the materials sent up by the Foreign Ministry.” He asked Zhou Jue three short questions: “Is Ghana’s political situation stable? Hasn’t the people’s life improved in recent years? And how is Ghana’s relationship with the West?” Zhou Jue answered them one by one. In retrospect, I feel that the three questions posed by Deng showed his familiarity with African affairs. The biggest predicament facing most African countries is its lack of political stability as well as the stagnation, if not deterioration, of people’s living standards. These countries’ relationship with the West tends to go to the two extremes: either wholesale copying the Western model or downright

rejecting it. In a broader perspective, the whole non-Western world, including China, is faced with these questions. A characteristic of Deng's style of leadership is his ability to grasp the crucial issues at crucial junctures. When the crucial issues are well-identified and handled, the country moves ahead on the right track. The rise of China under Deng Xiaoping was characterized by China's going all out to lift people's living standards, maintain stability, improve the nation's comprehensive strength and learn selectively from the West, with the aim of catching-up with and eventually overtaking the West.

Rawlings' main purpose of visiting China was to learn from China's experience of economic development. He first arrived in Nanjing, the capital of Jiangsu Province near Shanghai. He marveled at what Nanjing had achieved through reform and opening up. The governor of Jiangsu Province welcomed him with a dinner and a cultural performance in his honor. After the performance, he stood up, touched obviously, and went onto the stage and shared his feelings with the audience: "For many years, the rulers of Ghana were inept in governance and our people lacked the ability of analyzing issues rationally and scientifically. The so-called developed countries are inhumane. They are pursuing the so-called modern civilization and huge profits, but at the expense of humanism. China is different, after undergoing the two polarities of love and hatred, China has entered the rational and scientific phase under Deng Xiaoping's leadership. My people have not reached this stage yet. China's change is actually needed by the world, not least by the Third World. I trust that China pursues its modernization objective by combining rationalism and humanism. And with this cultural gala, I can see the great perfection that could come out of this combination." Rawlings' expression seems to reveal certain truth: restoring "seeking truth from facts" under Deng as China's guideline for its development is in essence a return to rational thinking and actions while avoiding extremism that China had gone through.

The core content of the China model is to tackle the relationship among economic reform, social reform and political reform in a down-to-earth and rational manner. Some hold that China has merely undertaken economic reform and social reform without political reform. But this is not true.

In my book *The China Ripple*, I compared the outcomes of three types of reform models adopted by transitional economies: the first is Cuba's "*conservative reform model*" ("保守改革模式"), that is, limited economic and

social reform without political reform; the second is the "*radical reform model*" ("激进改革模式") as practiced in the Soviet Union and Eastern Europe, which radically transformed the political, social and economic systems of their countries; and the third is China's "*moderate reform model*" ("稳健改革模式"). This model is characterized by large-scale economic reform, medium-scale social reform and relatively small-scale political reform aimed at facilitating economic and social developments and substantially improving people's living standards. Taken together, the "conservative reform model" fails to create a prosperous economy and dynamic society. The "radical reform model" has paid too high a cost, as shown in the case of the former Soviet Union: the country disintegrated, the economy fell apart, people's living standard declined drastically and the life expectancy fell below 60 years old. The China model has its inadequacies, but it is far more successful than the other two models.[16]

The success owes itself partly to its series of cautious yet determined political reforms that China has carried out: a complete end to all sorts of political movements characterized by the "class struggle", which has enabled people to pursue their normal material and cultural life; the intellectuals victimized by previous political movements were rehabilitated; the people's commune, a system integrating political, economic and social life of the rural people, was abolished; village-level elections are held as experiment in rudimentary democracy; the cadre's life-long tenure system jettisoned and the civil servant system established. A system combining "selection" with some form of "election" has been practiced. The *hukou* (household registration) and *dangan* (personal dossiers) systems have been drastically loosened. On top of these, a governance structure which basically matches the operation of the socialist market economy, has taken shape. In a nutshell, China's rise today is closely linked to these effective political reforms.

Anyone who has a common sense knowledge of Chinese political system knows that in the context of China, breaking away from the old system of "taking politics in command" and "the planned economy" can only be a process of political reform process, as the old system was marked by economic, social and political systems combined. For example, a state-owned enterprise in the past was a political entity unifying the Party, business, and social operations in one, and the people's communes were even more so. Therefore, any significant change in the economic system has

to be political, and in many ways China has wisely conducted many political reforms in such a way that they form a part of China's economic and social reforms. For example, ending the economic system of people's communes has, on the one hand, unleashed farmers' enthusiasm to improve production and their livelihood; but, on the other hand, it is also a political and social reform which changed the economic and political life in the rural areas forever. Another case in point is China's state-owned enterprise reform. It is at once a reform of economic system as well as an innovation in political institutions. Currently China's many reforms from pricing structure reform, to housing and banking system reforms, all contain elements of political reform. In retrospect, it is indeed a sophisticated approach that many political reforms are in fact carried out as part of economic and social reforms, and this approach has allowed China to avert the possible political chaos as experienced by many other countries which pursued singularly radical political reforms.

This approach also exhibits the influence of traditional Chinese culture. Western culture values individuality whereas Chinese culture values synthesis and wholeness. Over the past 30-odd years, China has drawn on the Western cultural preference for individuality, but it has not given up its own tradition of thinking and acting holistically. In certain sense, this embodies China's political consideration in its reform process: when initiating reforms in such a vast and complex civilizational state, it must weigh carefully the cost of each reform initiative and balance the cost and benefits of each reform. Most reforms are advanced steadily with the aim of achieving maximum effect with minimum cost. Furthermore, what's important is that China's political reforms are carried out with the aim of improving the quality of its existing political system, rather than copying Western political system, and of achieving political rationalization rather than democratization as defined by the West.

3.3 Institutional Edge: Equilibrium of Three Powers

In May, 2012, Francis Fukuyama published an op-ed entitled "China has banished Bo but not the 'bad emperor' problem" in the *Financial Times*. He argued, as he did in his debate with me in Shanghai in 2011, that under a "good emperor," China is prosperous; but under a "bad emperor", the

country will fall. To him, the biggest challenge confronting China today is its "lack of formal institutions and of a real rule of law".[17] He cited the Bo Xilai case (the disgraced political star on charges of corruption) as evidence that China has not yet solved the "bad emperor" problem. One month later, in the 2012 London Book Fair, when my book *The China Wave* was launched, a seasoned *Financial Times* columnist posed the same question to me.

I replied that in China, an orderly succession was on the way, and people knew who would be China's next president and who would be its next prime minister. These are the matters of the first and second order, and Bo Xilai, at best, would affect other line-ups of China's top decision-making body. So it is not at all a case of good emperor vs. bad emperor.

I agree with Fukuyama that China indeed can do a lot more in shaping its formal democratic institutions and establishing the rule of law. In fact, over the past 30-odd years, China has been working on institutional building, rule of law and procedural accountability, however different they may appear from those in the West. Yet, I do not think that a country's success is contingent on whether it has "formal institutions and a real rule of law", rather it is on whether the "formal institutions and a real rule of law" are in line with the national conditions of that country and on whether they can keep pace with the changing times. Consider the familiar case of India. It has "formal institutions and a real rule of law". Yet it lags behind China on almost every front, many of its key social indexes like life expectancy and child mortality rate even falling short of those in China's Tibetan region. The same holds true for Japan. The Japanese government keeps on reshuffling all the time, to the point of having eight or nine prime ministers in 10 years, with economic recession dragging on for more than two decades. The United States is another case in point. America's "formal institutions and a real rule of law" have increasingly grown into "institutional rigidity and excessive legalism", which, even Fukuyama now agrees, is in dire need of reform to get out of its "vetocracy". Fareed Zakaria even lamented: "I really think that American government has become totally dysfunctional… . Happy talk about the genius of the founding fathers is not going to get us out of this jam."[18]

I have discussed the predicament confronted by the American middle class and the American Dream in the previous chapter. It is now necessary to go a step further to explore the underlying causes of this predicament. It

is widely observed that American democracy has increasingly become hostage to various well-organized and highly-mobilized interest groups, which do not represent the interest of most Americans.

If Fukuyama's vetocracy is about the dysfunction of the American political system, my diagnosis goes a step further. To me, a well-functioning modern state requires a balanced equilibrium of the three domains: political, social and economic. The three domains in turn evolve three powers: political power, social power and capital power. The problem with the American style of the separation of powers (legislative, judiciary and administrative) is the fact that the three powers are essentially those confined to the political domain, and beyond this domain, the capital power has exerted too overwhelming an influence over the other two powers: political and social, at the expense of the overall interest of the American people. Indeed, to this author, a modern and well-functioning governance structure should ensure that an equilibrium be struck among the political, social and capital powers in favor of the interest of the majority. But the interrelations of the three powers in the United States seem to suggest that the capital power prevails over the other two powers. This is why the American Dream has, in the eyes of many, been betrayed over the past two decades. It is in this sense that China has looked and moved way beyond the American model, and China has worked hard to create a new political structure which takes better care of the overall interest of the Chinese people, and China's effort has been on the whole successful. Of course, China can and should do even better.

After more than three decades of reform and opening up, China is witnessing its dramatic reemergence. Its economic and social powers have grown substantially. A new equilibrium has been more or less struck between its political, social and capital powers. In this context one may compare China with the United States in terms of the intra-relationship of the three powers.

Let us look at the United States first. Under the sway of the capital power, American political power lacks enough autonomy and neutrality. Likewise, American capital power exerts, in a large measure, an overwhelming influence over the social power, more or less capable of shaping America's social agenda and setting the tones for the mainstream media and most social institutions.

American traditions used to be different, and American social and political powers were able to restrain, to various degrees, the country's capital power. American legislation even stipulated that in order to prevent the rich from influencing elections, the cap for an individual's donation to the presidential candidate was confined to US$2,500. But over the recent decades, especially starting from the Reagan era, the capital power has been ascending, bringing the other two powers increasingly under its sway. In 2010, the US Supreme Court ruled that there shall be no upper limit on campaign contributions from corporations. In 2014, the Supreme Court made another ruling that there shall be no ceiling on individuals' donations to the campaign. Thus, American democracy has been turned into a "monetalkracy".

Now let us look at China. Historically, the political power in China was mostly stronger than other powers, but more often than not it remained relatively neutral, representing or pretending to represent the interest of the most Chinese to ensure "peace and prosperity under heaven." Such tradition has continued up till now. As such, despite the fact that the social and capital powers grow fast, the political power in China is still able to maintain its relative autonomy and neutrality. The strength of the capital power lies in its capability of generating wealth and efficiency. The history of the last 60-odd years has shown that when China overly suppressed the capital power as during the first 30 years (1949–1978), it resulted in a shortage economy and stagnation of people's living standards. But as reform and opening up started in 1979, the capital power has come to the fore and energized the Chinese to create miracles one after another. But the unrestrained capital power has its side effect. Without the constraint exercised by the other two powers, its profiteering drive tends to polarize the society and expand the gap between rich and poor and lead, not infrequently, to financial and economic crises.

On the whole, the capital power in China today is subject to some constraints from China's political and social powers. To put it simply, the richest 100 persons have no chance to dictate the CCP Politiburo. In contrast, I think, the richest 20–30 are able to dictate the White House. These years a new phenomenon has surfaced: the capital power has little incentive to improve the US domestic political system, in part because globalization and new communication technologies have allowed the capital power to obtain its profits more from its international operations

than domestic ones. As a result, it has little incentive to push for domestic political reforms, and this is a new predicament confronting the US political system.

In comparison, although the gap between rich and poor is wider than before in China, China's political power has on the whole presided over the fast rising living standards for most Chinese, and even the poor in China today have lived a much better life than before. Furthermore, China's social power has evolved an age-old tradition to constrain the capital power, and the sense of equality, even to the degree of equalitarianism, have a strong appeal among the Chinese public. This also explains why socialism has a sweeping and lasting appeal among most Chinese.

As the Chinese economy grows, China's social power expands extensively. In contrast, during the first 30 years after 1949, China's social power was weak, which caused many problems. For example, social feedback was weak in the face of too strong a political power, and this partly explains why ideologically excessive campaigns like the "the Great Leap Forward" and "the Cultural Revolution" met little resistance at first. In the second three decades (since 1979 till now) with the economic rise, the Internet revolution, and expansion of China's middle class, China's social power has begun to influence every aspect of China's political life. Never has a time in China's history witnessed more open and lively discussions on public policies and political issues than today, and such discussions have become part and parcel of daily life in China, and Chinese people have never enjoyed more freedom of speech than today. A click of mouse will allow you to see hundreds, if not thousands, of opinions critical of the government, but it is also true that China's central government enjoys a high degree of popular support within China so far. The Western media's frequent presentation of China as a country on the verge of regime collapse, at least to most Chinese, is laughable.

Yet the social power, like other powers, has its own weakness like simple-minded populism and desire for excessive welfare benefits. What's good is that the political power in China, aware of these tendencies, has taken steps to redress them. The most telling case is Beijing's recent emphasis on "building a more just and sustainable social welfare system" and on cracking down the rampant internet rumors. Put it another way, the political power in China remains relatively neutral and capable of taking effective measures to check the excessiveness of either the social power or

the capital power, which is in the long-term interests of the Chinese people. In other words, China's political power, under necessary constraints from the social and capital powers, is still in a position to influence and even guide the other two powers. This is perhaps the crucial factor contributing to China's smooth rise over the past 30-odd years and explains why the Chinese Dream is more likely to continue to shine for most Chinese in the foreseeable future.

3.4 The Institutional Arrangements of a Civilizational State

Americans often say, a country like the US is very easy to understand: politically, it is a democracy; economically, it is a market economy. This explanation fails to tell you accurately about the real America, which is a very complicated country, yet it is not bad to employ simple and concise expressions to summarize a complicated country. In this vein, it is not difficult to explain China either: politically, it is a civilizational state; economically, it is a mixed economy, and this summary is brief and accurate. If a more detailed explanation is required, one could go further to explain the nature of this state and its institutional arrangements, which can be summarized as "one state, four arrangements". "One state" means that China is a civilizational state, while "four arrangements" refer to the four aspects of China's institutional arrangements, namely, the party, the democratic system, the organizational structure and the economy. These institutional arrangements have led to China's rapid rise and laid the foundation for China's endeavors to move beyond the West and the Western model.

More precisely, what is the "one state"? It refers to China as a civilizational state. As I have elaborated in *The China Wave*, China's rise is not that of an ordinary country, but of a civilizational state, which has amalgamated the world's longest continuous civilization with a super-vast modern state. I wrote then:

> If the ancient civilizations of Egypt, Mesopotamia, the Indus Valley and Greece had continued till the present day and functioned within unified modern states, they would also be described as civilizational states. But this opportunity has been lost. If the ancient Roman Empire had stayed till now and transformed into a modern state, Europe could also be a medium-sized civilizational state. But this is only a hypothesis. If dozens of countries of the Islamic world today could integrate into a unified modern state despite all their diverse

traditions, it would also be a civilizational state with over 1 billion people. But this seems an unlikely prospect.

A civilizational state has exceedingly strong historical and cultural traditions. It does not easily imitate or follow other models, be they Western or otherwise. It has its own intrinsic logic of evolution and development. It is bound to encounter all kinds of challenges in the future, but its rise is seemingly unstoppable and irreversible. The civilizational state has a strong capability to draw on strengths of other nations while maintaining its own identity. As an endogenous civilization capable of generating its own standards and values, it makes unique contribution to the world civilization.

At least eight features can be distilled from the civilizational state of China, and these features are (1) a super-large population, (2) a super-vast territory, (3) super-long traditions, (4) super-rich culture, (5) a unique language, (6) unique politics, (7) a unique society and (8) a unique economy, or simply the "four supers" and "four uniques," each of which combines the elements of the old Chinese civilization and the new modern state.[19]

These features have in fact shaped the China model and China's institutional arrangements and created China's path dependency that is likely to continue into the future. This perception is also reflected in the above-mentioned equilibrium of the three powers. In China's long history, the state was or generally perceived as a relatively neutral and strong power. The super-large population, super-vast territory, super-long traditions and super-rich culture also implied that to govern such a state called for taking care of many complex factors. Thus, a relatively neutral and strong central government emerged over time as it must be capable of handling unrivaled challenges posed by the size of its population and the scale of its territory and the complexity of issues involved, including disaster reliefs at the time of huge flooding and earthquakes that occurred quite frequently in this vast country. Without such competence, the state would lose its "mandate of heaven", and people would rise up to overthrow the regime. In other words, Chinese emperors' "mandate of heaven" was rarely a God-given right. Rather, most Chinese emperors knew that it was the people's conditional acceptance of the legitimacy of the emperors and the courts. This in part explains why in China's long history, a prosperous dynasty was usually associated with a relatively neutral, strong and inclusive government.

If the government were not strong or pro-active enough, the country would fall apart as in the case of the late period of the Song dynasty (the 12–13 centuries AD). Likewise, if the state were not neutral and inclusive enough, it would not be able to coordinate the diverse interests of the huge population over its vast territory, and the country would experience disorders everywhere. If the central government were widely considered as partial to a certain social class or a certain region, it would incur extensive

discontent and social chaos, as was the case of warlords fighting each other following the 1911 Republic Revolution.

China today is indeed in a better position than any time in its modern history, and China's political power is widely perceived as neutral and powerful, capable of representing the interests of wide-ranging social stratas and balancing and in many ways guiding the capital and social powers. China's institutional arrangements have thus taken shape and paved the way for the smooth rise of China, and these institutions have amalgamated (i) the traditional gene of the Chinese civilization, (ii) China's socialist tradition and (iii) the useful elements of other civilizations. This "organic" amalgamation of the three factors have ushered in China's dramatic rise, driving China's transcendence of the Western model.

More specifically, the four institutional arrangements refer to the following:

First, the party system. The CCP is essentially a state party (国家型政党) or a holistic interest party (整体利益党), i.e. a party that represents the interests of overwhelming majority of the Chinese population. In China's constitution and in China's institutional arrangements, the CCP plays the leading and coordinating role in China's development and modernization. Despite China's rapid rise, some critiques of China still hold that the key weakness with the China model is its political system, especially its political party system, because "one-party system" does not agree with the Western-style democracy; neither does it with the political systems in most other countries. Many Western scholars consider this system to be unable to meet the challenges posed by the diversification of social interests and the rise of the middle class. I think the other way may be true: the key to China's success lies rightly in China's institutional arrangements, especially its political party system. True, the existing arrangements are by no means perfect and still in need of improvement, but they are robust and evolving, well-grounded on the three integrated sources: China's cultural traditions, its socialist tradition and elements from other civilizations.

Although the CCP is called a "party", it differs altogether from political parties in the West. Theoretically, in the West it is assumed that a society consists of different interest groups, and they should have their respective representatives. As the society is of multi-interests, and the political party system should also be multi-party system. Each political party claims to

stand for the interests of part of the society and compete for votes to get elected. Under the procedural democracy, the party with 51% of the supporting votes wins over the one with 49%. A “divided” pluralistic society is thus “integrated” at least in theory by electoral democracy. Yet, why those non-Western countries adopting the Western political model tend to fail? My observation is that once their societies are divided by voting, their societies are further divided, rather than integrated. Actually, the same challenge is also confronting the Western society today, and even the American society is now sharply divided.

As a civilizational state, China has a totally different historical legacy from the West. For more than 2,000 years, the predominant way of China’s governance was through a unified political entity. The civilizational state is to a great extend an amalgamation of hundreds of states over its long history. If China were to be ruled by a political party as its Western counterparts, representing the interests of only a part of the Chinese people, or perceived so by most Chinese, it would be overthrown by the Chinese people. In China’s long history, this tradition of a united political entity representing or claiming to represent, the interests of China’s vast majority of the population was the norm, rather than the exception.

As a result, all independent and credible polls conducted so far, say, by Washington-based Pew or the Asia Barometer, show that the Chinese central government enjoys an extremely high prestige among its people, well above 70%, far exceeding most Western governments. Those pessimists pinning hope on the regime collapse feel disappointed again and again, because they have misread the Chinese political system and China’s reality. It is incredible for most Chinese to imagine that one day the political party in China could be replaced by a party that merely stands for the interests of a part of the people and that every four or five years the country would be governed by a new central government.

In terms of ideological heritages, the CCP and its leadership have carried on the Chinese tradition of the “mandate of heaven”, and it has shouldered a strong sense of historic mission to restore China’s preeminent status which it had enjoyed in the past millennia. This leadership has a sense of responsibility not only for its own people, but also for the continuation of the Chinese civilization. Against this background, we will be able to better appreciate why Chairman Mao Zedong reminded the Chinese people of the need to “catch-up” and “surpass” the United States.

Mao said that failure to achieve this objective would mean that China would be deprived of its "world citizenship". And that is also why Deng Xiaoping, after resuming his power, first and foremost, put forward the "three-phase modernization strategy" for China to become the world's largest developed country by the mid-21st century, and ultimately attest to the world that socialism is better than capitalism. This strong sense of historic mission and responsibility also find expression in Xi Jinping's call for realizing the Chinese Dream for the whole nation: "On the very day when our party was founded, it has been shouldering the great historic mission of rejuvenating the Chinese nation. The party leads the people in revolution, construction and reform with the aim of making the people wealthy, the nation powerful and prosperous and ultimately rejuvenating the great Chinese nation."

If we compare the CCP with political parties under the Western model, most of them may well be called "partial interest party" and some of them "showbits party". They usually do not assume the ultimate responsibility for the overall interests of their nations. Take South Korea as an example. A winning party can possibly lead the country to a war with North Korea. But the security of South Korea is ultimately the responsibility of the United States. Whether South Korea will have military clashes with North Korea, and to what extent such clashes will grow depend ultimately on the United States. The same holds true for the political parties in Japan, Whether an elected populist leader will drag Japan into the militarist adventures and bring disasters to itself and to the rest of East Asia is again dependent on the United States. In comparison, China's ruling party takes on the ultimate responsibility for the rise and fall of the Chinese civilization. Such a sense of ultimate responsibility has been highlighted by Xi Jinping's remark in 2013: "China is too big a country to commit any subversive blunder."[20] once the subversive blunder occurs, no country can help China to get itself out of chaos. In this sense, the CCP is a "mandate of heaven" type of political party, responsible for the rejuvenation of the Chinese nation.

Currently the CCP is the largest and arguably the most competent political institution in the world. On the one hand, it has drawn on the useful experience from other political parties, including those from the West, and on the other, it has carried on the Chinese tradition of political governance and China's socialist traditions. This combination has allowed CCP to become a unique political entity and play its leading role in China.

To be sure, China's ruling party still has a lot of inadequacies and needs more reforms to improve its leadership and governing style, but its overall success is beyond doubt.

Second, consultative democracy is an important part of China's institutional arrangement, and China practices consultative democracy, with a depth and breadth rarely found in other political systems in the world. In the West, democracy is essentially confined to the political domain, and it is about the regular election of a country's top leaders in a multi-party system. But in China, consultative democracy has become an institutional arrangement not only in the political domain but also in the social, economic and other domains. Consultative democracy in China is to a great extent determined by China's nature as a civilizational state. As noted above, China has a super-large population the size of about 100 average European states and a super-vast territory the size of a continent with all its regional diversities. Under such conditions, China needs a political system which should be both inclusive and cohesive. Just imagine: within such a vast country, any decision with a disapproval rate of 10% will mean the disapproval of over 130 million people. How can one ignore the opposition views of such a large population? Common sense dictates that a country like China cannot simply adopt a voting system of 51% vs. 49% and "the winner takes all" approach. Building the broadest possible consensus among the people is the norm. Yet, it is necessary to point out that this consultative democracy does not mean empty talks without decisions. On the contrary, decisions are made and actions are taken once broad-based consensus through consultative democracy is reached.

China's success over the past three decades is indispensable from China's style of democracy as expressed in China's new type of decision-making process, which can be described as neo-democratic centralism or a modern form of democratic centralism. The old Soviet-style democratic centralism was indeed more about centralism than democracy, but China has improved on it and institutionalized a procedural accountability for its democratic centralism, under which a typical major decision like nation's five-year plan for development takes about one year and a half of extensive and interactive consultations at various levels of the Chinese state and the society, with several cycles of "from the people to the people", which means consulting with the people and producing a draft decision and then going back to the people with such a draft decision for further consultation,

and this cycle of consultative democracy goes back and forth several times until a broad consensus is reached and final decisions made. A decision on the five-year plan usually receives inputs from hundreds of think-tanks, government agencies, universities and from thousands of prominent scholars and professionals, including not infrequently heated debates in the social media and microblogs.

The recent decision adopted by the Third Plenum of the 18th CCP Congress on deepening reforms is a good example in this regard, and its drafting group, chaired by President Xi Jinping himself, solicited opinions from well over 100 institutions across the country and received 2,500 suggestions over a period of half a year, and about 50% of these suggestions were accepted. And during the process, all the seven top leaders went to different regions of China to make investigations in preparation for the deliberations on the decision. As a result, the final decision reflects broad consensus of the Chinese society on many issues such as public health reform, adjustment of one child policy, deferred retirement age, banking sector reform, education reform and the end of “reform through labor education” system. Many decisions are made based on the results of various pilot projects.

China is one of the few countries today capable of planning for the future and for the next generation, rather than simply planning for the next election or next 100 days as the case with most countries under the Western political model. In fact, many in the West lament that their companies and corporations do have short, median and long-term plans, but their countries do not. This is caused by the fact that under a so-called multi-party democracy, plans made by one party cannot be continued by another one. Take Taiwan’s political system as an example, prior to its so-called democratization, there had been six-year plans, without which the take-off of the Taiwanese economy would have been inconceivable. But after Taiwan’s democratization there was no way to make such plans any more. Then a question naturally arises: is it better or worse for a country or region to have such long-term plans for development? Most Chinese would say “yes”. In China, neo-democratic centralism as a decision-making process has been institutionalized. As a result, the overall quality of top-level decisions in China is generally higher than that in the West. With higher degree of legitimacy in decision-making process, there is usually no need to “sell” decisions to the public, as the US administration does. Once decisions

are made in Beijing after such an elaborate and democratic process, they are usually ready for "study and implementation" or to be further tested through pilot projects.

China's consultative democracy and decision-making institution have inherited a fine tradition from China's long history of "a wise ruler listens far and wide but decides independently" and of "without an overall vision or strategy, it will be difficult to succeed locally." This tradition dates back to the ancient court decision-making process, in which court discussions and debates were often held to prepare policy proposals to the emperors.

Cycles of institutionalized consultative democracy and policy debates in major decision-making process tend to generate, at regular intervals, a lot of public expectations, usually more positive than negative, for economic development. Such expectations in turn create new and often medium-to-long term demand. A typical five-year plan in China catches the attention of the Chinese society, from private firms to state-owned enterprises to individual shareholders. The fact that China can sustain a high annual GDP growth rate for over three decades is inseparable from these regular and predictable cycles of expectation and demand creation under consultative democracy.

Thirdly, meritocracy as an important institutional arrangement is crucial to China's success. China's meritocracy system originated from the country's long tradition of "selecting the worthy and appointing the capable" and from the age-old practice of the *Keju*, i.e. selecting officials through public exams beginning at the Sui Dynasty (AD 581–618), which was the forerunner of the modern civil servant examination system.

Since Deng's "three-phase modernization strategy" was put forward in the early 1980s, Deng Xiaoping repeatedly emphasized that China should maintain continuity of its reform and opening up policy in order to achieve this grand objective to turn China into the world's largest developed country by the middle of the 21st century. To this end, Deng Xiaoping stressed the necessity of institutionalizing a meritocracy system: "The implementation of the correct political line must be ensured by a correct organizational line. In a sense, whether we can manage our domestic affairs well, whether we can keep to the socialist road and adhere to reform and the open policy, whether we can develop the economy more rapidly and whether we can maintain long-term peace and stability will all be determined by (the right) people."[21] Deng Xiaoping considered the selection of China's top-level

team as the most important matter. He stated that “the crucial thing for China is for the Communist Party to have a good Political Bureau, particularly a good Standing Committee of the Political Bureau. So long as no problems arise in those two bodies, China will be as stable as Mount Tai.”[22]

This line of thinking has long been a tradition of ancient Chinese political culture. The same idea finds its expression in such ancient sayings as “the way to govern a state lies crucially in its selection of the worthy”; “the key to practicing politics resides in having the right people”; “to employ unqualified people will bring about difficult governance.” In short, this is part of deep-rooted Chinese political culture — from commoners to cadres, most Chinese accept the notion that “the quality of state governance depends on human talents.” It would be absolutely at odds with the deep psychological structure of the Chinese political culture if the person elected to be the nation’s top leader is merely good at talking eloquently.

Historically, this meritocracy system not only stems from China’s long tradition of the imperial civil examination system which was adopted to select the worthy and the capable, but also incorporates some elements from the Western political system such as opinion polls and elections. If the Western democracy is about election, then China’s meritocracy can be described as “selection + (some forms of) election”. Generally speaking, a cadre to be promoted has to go through the procedures of preliminary screening, opinion surveys, polls, internal assessment, voting and public announcement to solicit comments prior to his or her official appointment.

During the 18th CCP Congress held in November 2012, I wrote an op-ed for the *New York Times* entitled “Meritocracy vs Democracy”, which reads as follows:

> The world’s two largest economies are both revealing their next leaders this month, and this coincidence has been depicted in the Western media as a sharp contrast between an opaque Communist state and a transparent populous democracy. But beneath this superficial contrast is a competition between two political models, one based more on meritocratic leadership and the other on popular election. And the Chinese model may win.
>
> Virtually all the candidates for the Standing Committee of the Party, China’s highest decision-making body, have served at least twice as a party secretary of a Chinese province or at similar managerial positions. It takes extraordinary talent and skills to govern a typical Chinese province, which is on average the size of four to five European states.
>
> Indeed, with the Chinese system of meritocracy in place, it is inconceivable that people as weak and incompetent as George W. Bush or Yoshihiko Noda of Japan could ever get to the top leadership position.

Take the incoming leader, Xi Jinping, as an example. Xi served as the governor of Fujian Province, a region known for its dynamic economy, and as party secretary of Zhejiang province, which is renowned for its thriving private sector, and Shanghai, China's financial and business hub with a powerful state-sector.

In other words, prior to taking his current position as the heir apparent to President Hu Jintao, Xi had in fact managed areas with total population of over 120 million and an economy larger than India's. He was then given another five years to serve as vice president to get familiar with running state and military affairs at the national level.

China's meritocracy challenges the stereotypical dichotomy of democracy vs. autocracy. From Beijing's point of view, the nature of a state, including its legitimacy, has to be defined by its substance: good governance, competent leadership and success in satisfying the citizenry. Notwithstanding its many deficiencies, the Chinese government has ensured the world's fastest growing economy and vastly improved living standards for most people.

Indeed, Abraham Lincoln's ideal of "government of the people, by the people, for the people" is by no means easy to achieve, and American democracy is far from meeting this objective. Otherwise the Nobel economics laureate Joseph E. Stiglitz would not have decried, in perhaps too critical a tone, that the US system is now "of the 1 percent, by the 1 percent, and for the 1 percent."

China has become the world's largest laboratory for economic, social and political change, and China's model of "selection plus election," is in a position now to compete with the US model of electoral democracy.

Winston Churchill's famous dictum — "democracy is the worst form of government, except for all those other forms that have been tried" — may be true in the Western cultural context. Many Chinese even paraphrase Churchill's remark into what China's great strategist Sun Tzu called "xiaxiace," or "the least bad option," which allows for the exit of bad leaders.

However, in China's Confucian tradition of meritocracy, a state should always strive for what's called "shangshangce" or "the best of the best" option by choosing leaders of the highest caliber. It's not easy, but efforts in this direction should never cease.

China's political and institutional innovations so far have produced a system that has in many ways combined the best option of selecting well-tested leaders and the least bad option of ensuring the exit of bad leaders (through a collective leadership and strict term and age limits).[23]

Fourthly, the mixed economy as an institution. China's present socialist market economy is essentially a mixed economy, i.e. a mixture of "the invisible hand" and "the visible hand", of the market force and state power, of the modern market economy and traditional humanistic economy, and of the state sector and the non-state sector. It aims to achieve the optimal allocation of resources through the market economy while ensuring macro stability and social justice through socialism. Despite some of its weaknesses, this institutional arrangement is on the whole a success and has produced the miracle of China's dramatic rise. True, it has its share of problems, some of which are serious, yet overall, such an institutional arrangement has performed better than the Washington consensus. It is the Western countries, not China, that are experiencing the financial crisis, debt

crisis and economic crisis. And it is in most Western countries, not China, where people's real income has stagnated or even fallen over the past two decades.

The "mixed economy" has continued and further developed China's traditional notion of the *renben jingji* (people's livelihood-oriented economy or humanistic economy), a key feature of China's traditional economic system, i.e. economic development should essentially aim at promoting people's livelihood. The state's role in this kind of economy was prominent, which could be traced back to *On Salt and Iron* (*Yan Tie Lun*), the famous book of the early Han dynasty (202 BC to AD 220), and to the legendary story of harnessing the Yellow River by Emperor Yu of the Xia Dynasty (or about the 21st century BC).

Throughout the long history of China, it was proven that if the state failed to develop economy and improve people's livelihood and was unable to handle properly and competently natural disasters or other catastrophes, it would lose the "mandate of heaven". Nevertheless, if China had continued the *minben jingji* without embracing the modern market economy, it would not be able to compete with other economies in this fiercely competitive world. It is for this reason that over the past three decades, China has on the one hand embraced the modern market economy, and on the other hand, continued with its age-old tradition of the *minben jingji* by focusing on improving people's livelihood in all possible dimensions.

As a civilizational state with a super-large population and super-vast territory, the central and local governments are the two engines driving the growth of the economy. And such a dynamic interaction between the central and the local governments can be traced back to the prefecture and county system of the Qin dynasty (221–206 BC) and the Han dynasty (201 BC to AD 220), well over two millennium ago, to the reform initiated by Wang Anshi (AD 1021–1086) in the northern Song dynasty (AD 960–1279) and to Chairman Mao's policy of "walking on two legs". Undoubtedly, the role of the state in economic development is essential part of China's core competitiveness, although more efforts should be made now to better define the role of the state and its relationship with the market, which is the major focus of China's new phase of its economic reform.

Economist Shi Zhengfu holds that China's socialist market economy is based on a three-layered structure, namely, a strategic central leadership,

competitive local governments and competitive enterprises. He argues that this three-layered system has enabled China's economy to develop an enormous competitive edge over other economies. A three-layered economy tends to be more dynamic and more powerful than the two-layered one. Shi compared companies' transaction costs under the China model and under the Western model, especially the American model. He concluded that transaction costs in the West, characterized by the prominent role of intermediary agencies like lawyer's firms and lobbying groups, are much higher than those in China, which stem more from the functional role of local governments. Shi's explanation is another way to substantiate the essence of China's "mixed economy".

To sum up, "a civilizational state" and "the four institutional arrangements" as outlined above are a summary of the main features of the Chinese polity and economy. My own conclusion is that compared with the American electoral democracy, China's consultative democracy is apparently better able to represent the interests of different social strata, more capable of making long-term, strategic and complex decisions. The leadership arising out of China's meritocracy system is generally more competent than the leadership emerging from populous democracy or from what can be called "showbiz democracy" or "monetalkracy". "The mixed economy" model functions obviously better than "market fundamentalism" model. "The four institutional arrangements", as discussed above, have one common feature, i.e. "three in one" or the amalgamation of the genes of traditional Chinese culture, the socialist tradition and elements from other civilizations, and these arrangements constitute China's competitive strength over other development models and have laid foundation for China's future development.

---

1 Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, Foreign Languages Press, Beijing, 1994, p. 361.

2 Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, Foreign Languages Press, Beijing, 1994, p. 358.

3 Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, Foreign Languages Press, Beijing, 1994, p. 310.

4 *Ibid.*

5 *Ibid.*, p. 346.

6 *Ibid.*, p. 352.

7 *Ibid.*, p. 357.

[8] Deng Xiaoping, Selected Works of Deng Xiaoping, Vol. 3, Foreign Languages Press, Beijing, 1994, p. 346. (Deng's original word here was "模式", and its English translation should be "model", rather than "patterns".)

[9] 《邓小平年谱 (1975–1997)》, 中共中央文献研究室, 北京 (*A Chronicle of Deng Xiaoping 1975–1997*), The Party Literature Research Centre of the CCP, Beijing, 2004, p. 626.

[10] (邓小平文选 第二卷), 人民出版社, 北京 (Deng Xiaoping, *Selected Works of Deng Xiaoping*), Vol. II, Foreign Languages Press, Beijing, 1994, pp. 318–319.

[11] Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, Foreign Languages Press, Beijing, 1994, p. 256.

[12] Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, Foreign Languages Press, Beijing, 1994, p. 256. (Deng Xiaoping's original word was "模式", and its English translation should be "model", rather than "way".)

[13] Zhang Weiwei, "The Allure of the Chinese Model", *The International Herald Tribune*, November 2, 2006.

[14] Pan Wei's speech on the occasion of the founding of the Centre for the China Development Model Research, Fudan University, December 9, 2013.

[15] Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, Foreign Languages Press, Beijing, 1994, p. 144.

[16] 张维为,《中国触动: 百国视野下的观察与思考》, 上海人民出版社 (Zhang Weiwei, *The China Ripple: Reflections and Observations after Travelling to over 100 Countries*), Shanghai People's Press, Shanghai, 2012, pp. 65–74.

[17] Francis Fukuyama, "China has Banished Bo but Not the 'Bad Emperor' Problem", *The Financial Times*, 20 May, 2012.

[18] http://www.businessinsider.com/fareed-zakaria-cnn-america-dysfunctional-2011-3#ixzz3kJ3zdTgN.

[19] Zhang Weiwei, *The China Wave: Rise of a Civilizational State*, World Century, New Jersey, 2012, pp. 47–81.

[20] 习近平在亚太经合组织工商领导人峰会的主旨演讲, 2013年 10月 7日 (Xi Jinping's keynote speech at the APEC Business Summit, October 7, 2013).

[21] Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, People's Press, Beijing 1994, p. 366.

[22] *Ibid*., p. 352.

[23] Zhang Weiwei, "Meritocracy vs. Democracy", *The New York Times*, November 9, 2012.

CHAPTER 4

A NEW POLITICAL DISCOURSE

4.1 Constructing the Chinese Discourse

During my visit to Berlin in March 2014, a BBC program “Freedom 2014” was on TV. Holding in hand a picture of Berlin’s night view shot during the Cold War, a retired Canadian astronaut said, “Look at this picture: the bright part was West Berlin, and the dark one East Berlin. What a contrast between a free and prosperous democracy and a closed and backward autocracy!” Well into the 21st century, many in the West still keep their Cold War mentality with a rigid ideological outlook. In the eyes of many in the West, China is none other than an enlarged East Germany. What an irony and wry humor! Interestingly, the moment we arrived in Berlin, we found the Berlin airport small and shabby, shops rather empty, and night scene so much dimmer than Shanghai’s breathtaking view. If one had to apply the logic of this Canadian astronaut by comparing the night scenes of Shanghai and Berlin, then China today would be a free and prosperous democracy and Germany a closed and backward autocracy. In fact, it is not which country, China or Germany, is democracy or autocracy. It is this paradigm of “democracy vs. autocracy” is indeed outdated, out of touch with the reality of the world today. To understand and explain China (and,

in fact, the world) more accurately, we need to go beyond the Western discourse and develop a new discourse.

On June 2, 2015, Ms. Didi Kirsten Tatlow, the New York Times' Beijing-based correspondent, interviewed me on this subject and dispatched the following report[1]:

> When Zhang Weiwei was asked if it was true, as had been whispered among Chinese academics and officials, that President Xi Jinping had read his book "The China Wave: Rise of a Civilizational State" and recommended it to people such as the former World Bank president Robert Zoellick, he answered, "I'm glad he did." Zhang Weiwei directs the Center for China Development Model Research at Fudan University.
>
> Mr. Zhang, 57, who as a teenager spent three years in a Shanghai factory carving jade and in his 20s served as an English interpreter for Deng Xiaoping, is now a professor of politics at Fudan University in Shanghai, where he directs the Center for China Development Model Research, and a leading theorist of the "China model" of political and economic development. This holds that China under the Communist Party is on the right path and is destined to succeed. His most recent book, "The China Horizon: Glory and Dream of a Civilizational State," which is due out in English this year, continues that theme.

Q. You were an interpreter for Mr. Deng. How would you like to see "China's huayuquan" (中国话语权) translated into English?

A. I suggest "Chinese discourse" or "Chinese narrative," or in certain contexts, "Chinese political narrative." It means there is a rightful place for Chinese discourse in the world.

Q. Why is this important?

A. Discourse is crucial for any country, especially for a super-large and fast-changing country like China, whose rise has global implications and provokes questions and suspicions. To my mind, the country should face them squarely and explain itself clearly and confidently to its own people and to the outside world. This calls for new narratives, new in content as well as in style. China has its own official political discourse ranging from the party's doctrines to China's foreign policy statements. But it's also true that such a discourse is not easily understandable to non-Chinese, or even to many Chinese. It requires knowledge of China's political context. For instance, the "scientific outlook for development" is a concept crucial for China's own development and for unifying the ideology of the party's rank and file, but it is hardly understandable to non-Chinese.

   Since Xi Jinping came to power he has called for changing the writing and speaking style of the party and he himself took the lead in communicating with the people in a more direct and dynamic way.

Q. What is needed to create such a discourse?

A. As far as China is concerned, social, economic and political conditions are ripe for constructing such a new narrative. There is a clear and growing demand for such a discourse. China has risen to such a degree that it can't evade any questioning from within or without. Both Chinese and foreigners want to make better sense of what China has done and is doing and will do in the future. In economics jargon, when there is a demand, there will be a supply, which is coming naturally.

Q. What are you researching at the Center for China Development Model Research?

A. We focus on both political and economic dimensions of the “China model.” As I told Francis Fukuyama [the Stanford political scientist and author of “The End of History and the Last Man”] during our debate in 2011, we are indeed questioning many assumptions that are often taken for granted in the West, such as what constitutes democracy and good governance. We are also questioning neo-liberal economics and its perception of the Chinese economy and the world economic order.

Let me give you an example of how I perceive the China model.

In the political domain, China has created a model that can perhaps be summarized as “selection + election.” Selection is largely based on meritocracy and this model can compete with the Western model of relying solely on popular elections.

Economically, its “socialist market economy” is essentially a mixed economy: mixing the visible hand with the invisible hand, the state planning with the market forces. Since China put forward the concept of the socialist market economy in 1994, China is the only major economy that has not experienced the kind of financial crisis, debt crisis and economic crisis that have distressed so many countries. This success alone gives significant credit to the China model, however imperfect it is.

Socially, the China model is about highly positive interactions between society and the state, differing significantly from the Western model of society contesting the state. Chinese society today is extremely dynamic, but also in reasonably good order.

Q. You said recently that “We can learn from Putin,” [the Russian president]. What did you mean?

A. Like it or not, Putin and his team engage the West in debate on many issues. China should also engage its Western critics in debate on various issues. In this context, China’s new type of narrative should be comprehensive, thorough, robust and international: Comprehensive, so as to be able to explain China’s achievements, setbacks and future; Thorough, to be able to explain Chinese affairs clearly and thoroughly; Robust, to be vigorous enough to engage critics in meaningful dialogues and debates; and international, to be readily understandable to most non-Chinese.

Q. You have said that China’s recent history can be divided into three parts: overcoming bullying [the 1949 revolution], overcoming starvation (under Deng Xiaoping] and now overcoming “bad-mouthing”. Where do you see this “bad-mouthing”?[2]

A. Look at the Western media, BBC or CNN’s coverage of China. They seem to be 10 times more ideological than the Chinese media’s coverage of the West. Their ideological bias is so strong that it reminds me of the Chinese media’s coverage of the West during the Cultural Revolution. Whenever the West was mentioned then, the word “capitalist” was added. Today, when the Western media mention China, they always attach such ideologically charged words as “communist,” “authoritarian,” “dictatorship.” And whenever they present a picture of Tiananmen, they put a policeman into the picture suggesting China is an oppressive police state.

This kind of Western propaganda cannot convey accurately what China really is to the outside world and leads inevitably to wrongly crystal balling China all the time. I wonder when the Western media can overcome their own ideological straightjackets and look at this fast-changing society afresh and free from ideological bias. But on the other hand, we cannot do much about it, and we don’t care much about this either, as we are used to this kind of nasty and ridiculous coverage and miserably wrong forecasts about China. Let’s leave them in darkness.

Having lived in the West for over 20 years [Mr. Zhang holds a Ph.D. in international relations from the University of Geneva and was a visiting fellow at Oxford], I really think there should be a wake-up call in the West. Look at China objectively and understand how most Chinese perceive their own country. As I told Fukuyama in the 2011 debate, the Western approach to China reminds of me of Lord Macartney's visit to China in 1793 when he had an audience with Emperor Qianlong [in an unsuccessful mission to open China to foreign trade]. The emperor in fact displayed the Chinese version of "the end of history thesis" at that time, or, "We're the best, and you're nothing." Of course, history witnessed China's sharp decline after this show of cultural arrogance. Today this fate may befall the West.

Q. Deng Xiaoping, whom you knew, had a famous saying to the effect that China should "bide its time and hide its hand." If China is to find its voice, its narrative, are those days over?

A. Deng did say that China should keep a low profile and focus on its own modernization drive. But Deng expressed this view from [a starting point of] confidence because China was on the right historical path, and this important part of his idea was somehow missing from many later interpretations of his remark. Keeping a low profile should be from a position of confidence, and under the condition that China's core interests are respected. That was also Deng's idea.

With the rise of China, Xi Jinping has gone from strategic ambiguity to strategic clarity on a number of key issues [such as the South China Sea, where China has engaged in land reclamation projects to advance territorial claims disputed by other countries]. This is based on self-confidence, and also reflects the new consensus reached within China that with the rise of China, the country should be more proactive in its strategic and foreign policy. In fact, many countries, including major Western ones, have expressed the hope that China take up more international responsibilities and provide more international public goods.

Q. Is the United States getting China wrong? What about Europe?

A. Both the United States and Europe often get China wrong, especially their mainstream media coverage and forecasting about China. The difference is that most European states seem to accept China's rise and increasingly see it as a win–win opportunity. But the United States is still largely in a mode of zero-sum games and treats China with a lot of suspicion and even hostility. My counsel to the United States is also to treat China's rise from a win–win perspective.

Indeed, for quite some time, China's discourse and narrative power were too weak. For instance, in China's regular human rights dialogue with the United States up to a few years ago, China's official position for long was that if there were any problems of human rights in China, they were due to China's lower stage of development compared with the United States. To my mind, this is not the right approach. China should genuinely welcome dialogue with the United States on human rights, but China should first of all tell the United States that in China's view the largest scale of human rights violation in the 21st century is none other than the Iraq War launched by the United States, which caused a death toll of at least 100,000 civilians along with several millions of people becoming refugees or

internally displaced persons. China should ask the United States a simple question: Why is it so? China should urge the United States to give an explanation to the Iraqi people, to China, and to the international community before lecturing others on human rights. Not only the Chinese people but also other peoples, including many in the West, may appreciate this stand, as most peoples in the world are against this ugly war. It is high time that we take the initiative and move decisively beyond the Western mainstream political narrative and use our own discourse to engage the West in meaningful dialogues and debates on any controversial issues.

Without China's own strong and robust discourse, the Chinese state will be at a loss even within China, as so many government agencies have to defer to the so-called "Internet opinions" and "micro-blogs", which were penetrated by voices representing the interests hostile to China. Internet rumors in China became so uncanny as to stun many non-Chinese to the extent that a leading American magazine *Foreign Policy* simply dubbed "the People's Republic of China" as "the People's Republic of Rumors" in one of its long articles published in July 2011.[3]

Another case in point is an individual named Qin Huohuo who was determined to "rumor down" China, and he was not arrested until over 3,000 rumors had been fabricated or spread out, an anomaly intolerable in any other country based on rule of law. In the West, a rumor monger may land himself or herself in jail with one rumor.

It reminds me of the slaying of 13 school children in Fujian Province in March 2010. The event caused quite a splash, and the police forces were immediately called in to every school and kindergarten across the country. When I learnt of this news, my instinct told me that it was inconceivable for Chinese campus to become a land of frequent slayings. To my mind, school campuses in China are among the safest in the world, which is still a truism today. Admittedly, I was perplexed at that time when the public opinions within China, including those mainstream media, were in one way or another putting the blame on the so-called social inequality in China. If this were true, does it mean that the US should have collapsed long ago because its campus shootings are dozens of times more serious? If this were true, the 9/11 attack and the 2010 metro bombing in Moscow should all be viewed as a profound manifestation of social injustice from the angle of the perpetrators, but the mainstream narratives in the US and Russia all condemned such acts as terrorist.

In whatever society, there are losers, and some of them will become extremists for a variety of reasons. No matter how they are socially taken care of, they will be hostile toward society. Such people exist everywhere, in China and Russia, in Switzerland and the United States. Their extremist behaviors and crimes should be condemned by all civilized societies because what they do goes beyond the bottom line of any civilized society. Due to the absence of China's own discourse, many of Chinese media and public opinions manipulated by such media, rather than condemning such acts, exaggerated the so-called social injustice.

Essentially, the Chinese society is by far one of the most peaceful ones. After the tsunami catastrophe hit New Orleans in the US and after the massive earthquakes hit Haiti and Chile, massive robberies and other crimes immediately ran rampant. In China, however, this was not the case when the Sichuan earthquake wreaked havoc in 2008, which was 10 times more destructive than what had happened in New Orleans, Haiti or Chile.

Notwithstanding many problems in China, the country is witnessing its best and most prosperous era in its modern history. China is well on its way to become the world's largest economy in the near future. At this point of time, it is more pressing than ever for China to develop its own discourse to explain to the Chinese people and to the outside world where we come from, what path we are taking, and where we are going.

In so doing, one will have to question and challenge many prevailing Western assumptions and narratives. Yet as the West is used to lecturing China, and why not China lecture back? I recall that prior to the 18th CCP Congress held in late 2012, I attended a BBC discussion on "people's power" in London. In the Western discourse today, the purported "people's power" is a reference to "color revolution". The BBC host, a bit overbearing, asked me a question before setting the ball rolling, "Professor Zhang, are you sure there would be the another CCP Congress five years from now?" I responded by asking whether she was aware that the Western mainstream political predictions about China were almost always wrong. In fact, I could hardly recall any accurate predictions and my own predictions about China were much more accurate than the Western mainstream predictions.

The host asked me how I would define "people's power". I said that the concept was almost equated to the so-called "color revolution" in the Western political narratives, i.e. the people of a country, in most cases, with

the support of Western countries, rising up to bring down the regime in power. However, a Chinese saying goes like this, “Water can carry a boat and can also overturn it.” The so-called “people’s power” was comparable to water overturning the boat. But “people can also ‘carry a boat’”, I told the host, “A striking example in this regard was China’s rapid rise over the past three decades when 1.3 billion people had been mobilized for a successful economic and social revolution that has vastly improved their lot. The Chinese leadership has engaged the Chinese people through positive interactions and created a miracle that placed China well on its way to overtake the United States. This is a great case of people ‘carrying the boat’”.

An American scholar present, most likely never having face to face with a confident Chinese voice, said in astonishment: “The Chinese around me all assert that China is faced with so many challenges that its one-party system cannot last, and the country will face inevitable collapse.” I said to her, “Those around you might be Chinese dissidents and it is only natural that they hope to see China’s collapse.” I suggested that she spend a bit more time to get familiar with Chinese history. I said, “China has a continuous ‘dynastic’ history of 4,000 years running, and a ‘good dynasty’ lasted at least 250 years, i.e. longer than the history of the United States, and whatever problems China has today, the country is by any standards experiencing one of its best ‘dynasties’ or, more precisely, one of its best eras in China’s long history, and, to my mind, that China’s rise is still in its early stage, and more exciting stories are still to unfold in the years to come.”

4.2 My Talk on the China Model at Oxford

With China’s steady rise, the world at large is expecting to hear more from China. It was a fine and mild afternoon in June 2012. The Oxford University China Center hosted a seminar to launch the English edition of my book *The China Wave*, I was invited to speak on the theme of China’s rise as a civilizational state, followed by an extensive discussion with scholars present on the China model. The following is the gist of my speech:

First of all, I would like to thank the Oxford University China Center for this seminar and the launching ceremony for the English edition of The China Wave. I am very pleased to come to Oxford University again. Twenty years back, I was having a memorable time on this campus as a visiting scholar. Its strong sense of history and air of critical thinking impressed me a lot and helped me reach some major conclusions in my studies on China's development model. And this time, I am more than happy to be lodged at University College, the oldest one at Oxford. On the ground floor of the building is the statue of P. B. Shelley, the son of the college who is now "reposed at the lakeside". A household poet even for the Chinese, Shelley, with his well-known line "If Winter comes, can Spring be far behind?" had encouraged countless lofty minds in China to fight heroically for the independence of their country and liberation of their nation. Over the past three decades, this poetic line has continued to inspire many Chinese to engage themselves in China's grand reform and opening up and to clear many hurdles on the way to China's rise.

How wonderful it is when it dawns on me that Shelley lived downstairs while I live upstairs, and beyond doubt, the British sense of history finds its best expression here and now. This also reminds me of what I am going to talk about today: as with the British, the sense of history bears heavily on the Chinese nation alike. If it manifests the British sense of history when I say that Shelley dwelled downstairs, then the Chinese sense of history is well displayed by the fact that the original works by Confucius who lived 2,500 years ago are still easily readable to most Chinese today. Definitely, the rise of China will not be possible without this great historical legacy.

The most significant international event in the 21st century, I think, is China's rise. But somehow, to my mind, this fact is inadequately known to the outside world. I have met many Europeans and Americans, and in their impression, China is often none other than an enlarged East Germany awaiting a "color revolution". They have gone so far as to believe only those dissidents who represent the future of China. At noon today when Oxford University awarded honorary doctorate to Ms. Aung San Suu Kyi, the opposition leader in Myanmar, I was asked by some scholars here whether China would follow Myanmar's suit.

I've visited Myanmar before and know the country. Frankly speaking, the country is behind China by at least four decades in terms of governance quality. The application of the Western model will not lead anywhere. I have visited over 100 countries, most of them being underdeveloped. My humble conclusion is simple and straightforward: developing countries having jumped on the bandwagon of the Western model usually end up in two scenarios: from euphoria to despair, or from euphoria to anarchy. I therefore thanked these scholars and told them that China, other than following the lead of Myanmar or Egypt, will continue to pursue its own way of development. I said that when the Egypt Spring occurred last year, I predicted that the Egypt Spring would turn into the Egypt Winter, which is increasingly true as we can see today.

In fact, the bankruptcy of Greece coupled with the crisis that plagues Iceland, Spain, Italy, and the United States speaks volumes for the fact that the Western model itself is in deep trouble. Not long ago, Joseph Stiglitz, the Nobel laureate in economics, rephrased Abraham Lincoln's famous line "of the people, by the people, for the people" into "of the 1%, by the 1%, for the 1%", stressing that American democracy is in decay. Lately, almost all respectable international polls point to a plummeted rate of public approval of Western governments in contrast to the much higher approval rate for the Chinese one. This being the case, the West may indeed have a long way to go in terms of reforming its own political governance and economic structure.

Over the past three decades, the Western media made many gloomy forecasts about China, predicting time and again that it would collapse. Time and again, however, they were proven wrong. Behind these misjudgments is a deep-rooted ideological bias towards China.

When one is open-minded enough to respect facts and reality and free oneself from the ideological straightjacket, one will find that over the past three decades, China has undergone an unprecedented economic and social revolution that has lifted 600 million people out of poverty, approximately 80% of world's poverty eradication. This achievement has paved the way for China's rapid rise, with far-reaching implications for the rest of the world, including the United Kingdom.

Now let me give you an example to illustrate China's success. As experts on China, you must have heard of what's called "three big items" indispensable for many people to enter marriage in China. As far as I can remember, they used to be the three items of "a watch, bicycle, and sewing machine" in the 1970s, then "a refrigerator, color TV, and washing machine" in the 1980s and then "an air conditioner, computer, and video recorder" in the 1990s. As we come to the 21st century, however, they have been upgraded to "a property, car, and a lot of cash". To my knowledge, there seems to be no other nation in the world that has enjoyed so rapid a growth in wealth during so short a time. Of course, I have to say sorry here for providing you such a materialistic example. But perhaps, in many ways, rising materialism may be an inevitable stage for a country that used to be the world's most prosperous country for over millennia and then fell to the bottom of the world following more than a century of wars, chaos, and abject poverty before rising up again with all its implications for the rest of the world. As time goes by, China's cultural renaissance will come and catch up with its material progress, and after all, China is a country endowed with sophisticated cultural heritages and traditions.

Naturally, China is still faced with many challenges, some of which are serious. Here one may make a comparison between the rise of China and that of Britain in the past. When Britain was on the rise, it already boasted vast colonies dozens of times larger than its own territory which had only a population of over 10 million, less than today's Shanghai. The UK then was able to readily "export" its burden of problems to the outside world. It "exported" the outlaws to Australia, the jobless to Africa, and the dissidents to America. However, for a super-large state like China with a population of 1.3 billion, it has to address within its own borders all the problems associated with its rapid rise and transformation. Yet experience from the past three decades has shown that China is capable of tackling the challenges it is faced with. Despite its various problems, there is little doubt that China's achievements far outweigh its problems.

China is not an enlarged East Germany. Nor is China another ordinary state, China is a civilizational state, arguably the world's only one, as China is the only country in the world with a history of unified state for over 2,000 years, and it is the world's only continuous civilization lasting over 5,000 years and it is the world's only amalgam of an ancient civilization and a huge modern state.

An inaccurate analogy would be something like the ancient Roman Empire continuing to this day as a unified modern state with a centralized government, modern economy, all its diverse traditions and cultures and a huge population speaking the same language called Latin.

A civilizational state is a product of hundreds of states amalgamated into one over thousands of years of history. As I discussed in my book The China Wave, this kind of state is bound to break up if it adopts the Western political model. In fact, not to say China, even the European Union (EU), with only one-third of China's population, cannot afford this kind of model, if it did so, it could end up either breaking up or being reduced to a useless white elephant with no power whatsoever to shape Europe's future.

As a civilizational state, China is an amalgam of four "supers", i.e. (1) a super-large population, (2) a super-vast territory, (3) super-long traditions and (4) a super-rich culture. Take its population for example. The Spring Festival of 2012 saw 3.1 billion trips made

within one month time across China's vast transport networks, approximately equivalent to moving the total populations of North and South America, Europe, Africa, Russia, and Japan from one place to another within a month. No other country is faced with this kind of challenge. Likewise few countries have so many opportunities for development, given the size of its population.

In terms of territory, China is a continent with all its regional diversities. Richness of the Chinese culture is rare in the world and in nearly all areas of human knowledge China has thousands of years' inheritance. There is perhaps no better example to illustrate the cultural richness than the Chinese cuisine: China boasts eight main schools of cuisine, each of them being arguably richer than the French cuisine in terms of contents and varieties. If the French cuisine is the cultural product of France as a nation-state, then the Chinese cuisine is the amalgamation of the cultural traditions of "hundreds of states into one", and its richness and diversity is perhaps unrivaled. In fact, such richness and diversity are indeed ubiquitous in China, which constitute both enormous challenges for governance and fascinating prospects for this nation.

The "four supers" of China as a civilizational state have largely shaped the China's path dependency in development and the main features of the China model. Philosophically, the China model is guided by practice-based reasoning, i.e. being realistic in doing everything with the guidance of "seeking truth from facts", rejecting dogmatism, drawing lessons, and experiences from itself and from others, and pushing ahead the bold yet prudent structural reforms as well as institutional innovations. This kind of trial-and-error and gradual approach conforms to China's national conditions, notably its huge size and diverse regional differences. Practice-based reasoning has a lot in common with the empirical philosophical traditions represented by such leading British philosophers as David Hume, who invariably called into question the reliability of pure rational reasoning, Edmund Burke, who emphasized regime legitimacy arising from its historical traditions, and Bertrand Russell, who vigorously argued for "what are the facts, and what is the truth that the facts bear out?" If these great philosophical minds were still with us today, they would understand China readily.

With the guidance of practice-based reasoning, China has given top priority to poverty eradication and primacy of people's livelihood, and the country has scored the greatest achievements ever seen in human history in poverty alleviation. It has been insisting on gradualism rather than "shock therapy", pursuing trial-and-error gradualist approach rather than seeking perfection of reforms. It has adhered to the open-door policy by drawing on the strengths of others while firmly maintaining its own independent policy space. China's relatively neutral, strong, and competent state is crucial to the success of China. China has established a socialist market economy, giving play to the efficacy of resource allocation on the one hand and ensuring overall stability and social justice under socialism. All these trends are likely to continue into the future.

Practice-based reasoning has prevented China from falling into the traps of democracy fundamentalism and market fundamentalism such as "shock therapy", wholesale privatization, financial crises, and pseudo-democratization that caused the breakup of the Soviet Union and Yugoslavia.

The success of the China model has indeed posed some challenges to the Western model. Politically, the China model is very likely to eventually bring about a paradigm shift from that of "democracy vs. autocracy" to "good governance vs. bad governance". Good governance may take the form of the Western political system and good governance can also take the form of non-Western political system such as Singapore and China. Despite many problems in China, it outperforms most other developing countries and transitional economies and many developed countries. In the same vein, bad governance can take the form of the Western political model as in the case of Haiti, Iraq, Ukraine, Greece and many others or take the form

of the non-Western model as in the case of Myanmar. Furthermore, the China model is likely to inspire more countries to explore their own way forward and their understanding of what constitutes good governance.

China is indeed rising fast and many economists today believe that it will overtake the United States to become the world's biggest economy in less than a decade. By my estimate, ten years from now, the number of China's middle-class may be twice the size of the total population of the United States.

Despite some of its weaknesses, the China model is born out of fierce international competition and it is thus highly robust and competitive. It can compete with the Western model, including the American one. But there is no need for the West to be scared of the China model. Just as economic growth is not a zero-sum game and others, especially the West, have gained a lot from China's fast expanding economy, models of development are not a zero-sum game either. China has learnt so much from the West and will continue to do so for its own benefit. It may be time now for the West, to use Deng Xiaoping's famous phrase, to "emancipate the mind" and learn a little more about or even from the Chinese approach and the Chinese ideas. This will help ward off wrong assessments on China and enrich our common wisdom to deal with the multiplying global challenges such as poverty eradication, job creation, prevention of financial crises and clash of civilizations.

About this time last year, I had a debate on the China model in Shanghai with Francis Fukuyama, author of The End of History and the Last Man. Frankly, I told him that it's not the end of history but the end of the end of history. This is not only good for China, but also good for the West and for the whole humanity, as we could jointly explore newer and better political and economic systems than the existing ones in the interest of humanity.

4.3 Universal Values or Universal Predicament?

Are there universal values that all countries and peoples must adhere to such as democracy, freedom and human rights? Before we answer yes or no, we should first of all get the procedures correct. Universal values, as the very concept suggests, should be values acceptable to all peoples worldwide. It is on this very issue that the international community is still to reach a consensus. If democracy, freedom and human rights are universal values as some have claimed, then one could ask a simple question here: Aside from these values, are there any other universal values? For instance, can "peace" be a universal value? One assumes that most peoples in the world would agree that "peace" should be a universal value, but major Western countries, notably the United States, disagree. There are also a lot of values most Chinese endorse such as "harmony", "benevolence", "responsibility", "poverty eradication", can these values be universal values? If yes, then what shall we do next? If no, why so?

In fact, the world is made up of so many countries with so diverse cultures and values, shall we not come up with a procedure by which all

states will have a say in determining what values are universal? Given the huge importance of the issue, is there any sense of justice in this world if a handful of Western countries alone are allowed to dictate what constitute universal values and then monopolize their definitions?

In other words, there seems to be a predicament here: to universalize a value, we need to have at least “procedural legitimacy”. Otherwise how a value can be called a universal value. That is to say, if something is referred to as “universal” or acceptable to all the peoples, it has to be negotiated and established by the international community through certain universally recognized procedures. For instance, international conferences shall be held to discuss and negotiate a consensus on what values are shared by all humanity. Only in this way universal values can be genuinely universal, and only in this way can we prevent some countries from advocating certain values with the ulterior motive of serving their own political, economic and strategic interests, or even using military forces at will against other nations under the pretext of promoting universal values.

Another universal predicament of universal values derives from the concept *per se*. If democracy, freedom and human rights are universal values, then what kind of democracy, freedom, and human rights are “universal” given the fact that the meanings of these concepts differ widely in the world and even among the Western countries. For example, is the American democracy a democracy or “monetalkracy”, considering the fact that there is now no ceiling for campaign contributions?[4] Should the whole world follow suit of the American-style freedom of speech when Washington keeps the world’s most extensive surveillance on online communications and correspondences worldwide as revealed by Edward Snowden? In the field of human rights, is the Iraq war launched by the United States meant for promoting Iraqi human rights as George W. Bush claimed or is it a case of gross violation of human rights? Chances are that most peoples in the world would agree that this unjust and illegal war is a case of gross violation of human rights.

In some areas where international consensus have reached, some Western countries are unwilling to accept them. For instance, the United States is one of the very few countries in the world that still refuse to accede to the International Covenant on Economic, Social and Cultural Right or the Convention on the Rights of the Child or the International Convention on the Protection of All Migrant Workers.

In terms of specific human rights, perceptions of human rights differ from country to country. For instance, high income tax is normal in Sweden but may be considered in the United States as an infringement of individual rights. Britain still retains a state religion, which is unacceptable in a country like France that experienced the French Revolution, and likewise, the French government maintained its monopoly over television stations until 1982, which is inconceivable in the United States. In the same vein, the banning of Muslim headscarves at schools in France and many European countries is unimaginable in China.

Nevertheless, the international community has since long reached consensus on certain human rights, a prime example being that any preach for colonialism and racism will be identified as infringements of human rights. Be that as it may, the Norwegian Nobel Committee awarded its 2010 peace prize to Liu Xiaobo, an open advocate of the 300-year-long colonization of China by the West. Does the Nobel Committee mean to appreciate colonialism and racism or is it simply ignorant of Liu Xiaobo's most famous and preposterous claim? To be frank, the Nobel Committee owes the Chinese people an explanation.

Furthermore, once we are able to moderately substantiate some abstract concepts, we shall be brought face to face with the fact that there is more to it than meets the eye. Some countries do have an intense interest in talking others into believing in their abstract ideas while covertly pursuing their own agendas. In this light, what we have to do is to make those abstract concepts moderately concrete and then raise a few more questions. By so doing may one become more sober-minded about the superficial eloquence of certain discourses. For instance, with respect to democracy as a universal value, we can say with certainty that democracy can be a universal value, but the democratic system as practiced in the West, was not, is not and will not be a universal value.

The Western practices in this regard are local and regional knowledge of the West, a product unique to its own culture and history. Non-Western states and societies can draw on the Western experience and lessons in this regard, but a mere copy of it usually leads to utter failure. In view of the severe debt and financial crises that many Western countries are experiencing, the Western democracy is itself in deep trouble and in need of earnest reforms, but such reforms seem elusive.

Furthermore, we have to ask another question, i.e. who should be entitled to passing judgments on the violation of human rights. According to the findings by Richard Gowan and Franziska Brantner from the European Council on Foreign Relations (ECFR), the voting result at the United Nations General Assembly (UNGA) in 2010 suggested that 127 out of the 192 member states voted successively against EU's position on human rights, in other words, EU's approval rate on human rights declined from around 70% in the 1990s to 42% in 2010 within the UNGA, approximately the same for the United States (40%). On the contrary, the positions of China and Russia on human rights enjoyed 69% of favorable vote.[5] This fact may have signaled a shifting attitude of the international community toward human rights. Fundamentally speaking, addressing issues like infringement of human rights in the world shall involve the whole international community rather than a few Western powers.

Finally, let us come to the question of whether human rights are above state sovereignty. It's known to all that sovereign equality is the primary principle contained in the UN Charter, on which the whole system of modern international law is based, including the principle of noninterference in the internal affairs of other countries and the peaceful settlement of international disputes. In the evolution of international laws, the United Nations, only with the authorization from the international community, shall be able to intervene against gross infringements of human rights in the case of crimes of aggression, genocide, apartheid, as well as crimes against humanity. And if the UN interventions take place, they shall be exercised in line with the procedures stipulated in the international law and by the United Nations. Some Western countries have, however, attempted to act as both the judge and the gendarme of the world, and intervene in the internal affairs of other countries and readily launch wars against others on the pretext of "humanitarian intervention". No one knows exactly how many civilians have been killed or displaced in the various wars launched in the name of toppling dictatorship and protecting human rights.

If the Western countries really believe in their right to intervene against human rights violations, the West may as well start with practicing it among themselves. For instance, the EU could take the lead in condemning and taking actions against the United States for the gross violation of human right in the case of the Iraq War. The Western countries could also appeal to

the United Nations to pass a resolution or exercise sanctions against many European countries for failing to practice equal pay for equal work, which has long been recognized as a basic human right by the international community. If the West cannot do so, one may well conclude that they are actually practicing double standards, i.e. applying the concept of “human rights prevailing over sovereignty” selectively to certain countries, not others or themselves.

It is amazing that when Russian President Vladimir Putin used the same logic in 2014 and dispatched troops to Crimea in support of the local ethnic Russians to “protect their human rights” and eventually join the Russian Federation on the basis of a referendum. The United States condemned Putin, but it sounds like “shooting oneself in the foot” as a Chinese saying goes. At that very moment when the US President began to talk about the principle of non-violation of state sovereignty, the whole world could not help laughing: what a change of attitude! If the United States had known what were to happen, would it have done otherwise in its conduct of international relations?

4.4 From Arab Spring to China’s Rise

The end of January 2011 witnessed the uproar of anti-government protests in Egypt. Hosni Mubarak, the long-time President, was swept from power on February 11. When I had a debate with Francis Fukuyama in the same year on the China model, he raised the prospect of the Arab Spring for China, and I replied:

> The recent turmoil in the Middle East, at the first glance, is about the pursuit of freedom. But one of the root causes, to my mind, is the economy. I have been to Cairo four times. Twenty years ago, the city was about five years behind Shanghai. But now the difference is four decades. Half of the young population in Egypt is unemployed. Other than revolt, what else can they do? My observation of the Middle East has led me to conclude that, while many in the West cheer the Arab Spring, don’t be too optimistic. I hope the region will do well, but it will be difficult, and the Arab Spring today may well turn into Arab Winter in a not too distant future with the American interest undermined. The situation in this region is no better than that of China during the 1911 Republican Revolution which was followed by chaos for long time to come. There remains a long journey to go in the Middle East. We shall wait and see what will happen.[6]

My predication about the Arab Spring has been vindicated by now. My many field visits to the Mid-East region have convinced me that if there are genuine “free and fair” elections, Islamic political forces are more likely to come to power than pro-Western liberals. As expected, in the general election held in mid-2012, Mohammed Morsi from the Muslim Brotherhood became the President. Afterwards, Egypt was plunged into an incessant conflicts between the so-called Islamists and secularists, and then the whole country is seized with unrest, suffering from capital flight, hyperinflation, dampened economy and rising crime rate. In July 2013, the military ousted the democratically elected President Morsi, sparking fresh turbulences in the country, and the prospect of Egypt is by no means encouraging.

The euphoric coverage of the Arab Spring in the Western media, which even sanguinely crystal-balled that the entire Arab region may take a turn for Western-style democracy. All this sounds so misplaced today as with many Western political forecasts about China. But the Western media seldom reflect a bit on why their forecasts often turn wrong. Furthermore, why the Western media do not question the obvious double standards adopted by so many Western governments, for instance, if these governments value democracy so much as a universal value, why don’t they push for democratization in Saudi Arabia? As a matter of fact, the political logic for them seems to be that if a regime is considered as the enemy of the West, it should be taken down by all means. If they are identified as friends or allies, their autocratic system is not only acceptable but also to various degrees encouraged, which was actually the case with Hosni Mubarak until months before his collapse. Can these Western governments show a bit more sincerity when they advocate democracy and universal values?

Now, a few years have passed since the so-called “democratic wave” across West Asia and North Africa, the purported “the dawn of a new Middle East” has gone with wind. Libya is now “in tatters” with tribal militias fighting each other, and even the US ambassador was killed by the mobs. Tunisia’s economy has been battered when the former secular regime was replaced by an Islamized regime. Mired in continued turmoil, Yemen, a small country with a population of 23.6 million, smaller than Shanghai, is now plagued by three concurrent wars: the wars between tribes, religious sects (Sunnis vs. Shiah) as well as between the state and al-Qaeda, along with a possible war for the independence of the south Yeman. The chaos

and civil war in Syria already claimed at least 200,000 lives and life expectancy for Syrians has fallen from 76 to 56 years old within a matter of four years.[7] And the Islamic State (IS), the new terrorist state, is operating actively in the region now and causing havoc across the region and fear among the Western countries.

As for Egypt, the way forward is getting increasingly tougher. It is in a full-blown crisis with extensive interventions from external political forces: the United States, Israel, Europe, Iran and other Islamist forces. It seems to have fallen into the vicious cycle typical of many developing countries copying the Western political model. By this model, populist leaders are easily elected but they cannot improve people's livelihood. Then the military stages a coup, yet the military cannot do well with the economy either. Then the disgruntled people rose up again to overthrow the regime, and the vicious cycle goes on and on.

If it is in the "Arab Spring" that some Western forces place their hopes to bring down China, then the "color revolution" may well represent a prototype in their attempt to bring down the Chinese regime, as the three countries of Ukraine, Kyrgyzstan and Georgia that experienced the "color revolution" are all ex-Soviet countries and transitional economies and in many ways more analogous to China than Arab countries in terms of political traditions and economic structure. However, the speed with which the "color revolution" faded has perhaps even embarrassed their staunch supporters from the West.

The Ukrainian "Orange Revolution" broke out in 2004 amidst the cheers of the Western media with the pro-West leader Viktor Yushchenko coming to power, backed by the anti-government civil society supported by the United States and the EU. He formed an alliance with Yulia Tymoshenko and ousted the so-called pro-Russia President Viktor Yanukovych. But soon infighting broke out, economic recession set in and corruption aggravated. Most Ukranians were disillusioned. By 2009, five years after the outbreak of the "Orange Revolution", economic downturn led to the devaluation of the Ukrainian currency by 50% and mounting debt pushed the country to the brink of bankruptcy. When the first general election was held in 2010 after the "color revolution", Yushchenko's approval rate dropped to merely 5%. The 2009 Pew poll showed that Ukrainians' support for democracy dropped to 30%, a decline of 42% from 1991. Then came the drama of 2014, which rendered Kiev into a bloody

battlefield. With the direct support of the US and the EU, the Ukrainian opposition ousted the pro-Russia Yanukovych, a legitimately elected President. What a mockery of democracy! Russia counterattacked by sending troops to Crimea, which, with the endorsement of a referendum, joined Russia, and then came the heightened tensions between the West and Russia in ways similar to the geopolitical standoff during the Cold War.

One might apply the Chinese political standards to assess Ukraine's color revolution. Deng Xiaoping put forward three criteria for assessing the quality of a political system: first, whether the country is politically stable; second, whether the system and policies help to strengthen unity among the people and to raise their living standards (note: Deng placed people's unity and people's livelihood together); and third, whether the productivity keeps developing."[8] Assessed against these criteria, Ukraine can get at best a D. Since the color revolution, Ukraine is gripped with political instability, unrests and now civil war. After coming to power, Yushchenko was bent on internal struggles to resettle historical scores, with eyes on the Great Famine, the Ukrainian Insurgent Army and other controversial issues, and the whole country has fallen into endless power struggles and is deeply divided into two opposing camps, i.e. the so-called pro-West of the western region and the pro-Russia of the eastern region, each fighting unremittingly to get their candidates to power. The two colors of the Ukrainian national flag, half in yellow and half in blue, seem exactly the token of the economic and political divisions of the two camps, and whoever takes the office shall be a nasty deal for the other half of the population, a divergence now leading to the unfolding civil war.

During my 2006 trip to Ukraine, I chatted with the college students encamped on the Independence Square in Kiev. The flags of the US and the EU in their hands, they were saturated with longings for the West. Despite the diverse interests of the United States and EU over Ukraine, they both oppose Russia's influence and support those in Ukraine who can best represent their interests, and this inevitably heightened the tensions and conflicts between the so-called "pro-West" and "pro-Russia" groups. From a Chinese point of view, keeping neutrality between the West and Russia may best serve Ukraine's interests, but external interventions are so strong and pervasive that Ukraine's unity can hardly last, and Ukrainian people's interests have thus suffered heavily.

Productivity has been battered, too. What a disgrace for so large and richly endowed a country (the second largest European country in terms of area) to have been reduced to so depressed an economy, with so vast swaths of rich soil, so strong industrial base left from the Soviet era (manufacturers of the aircraft carrier Admiral Kuznetsov, Antonov aircrafts, T80 tanks, sophisticated aero-engines and the Zenit-based rockets). It is now plagued by hyperinflation, economic malaise, rampant corruption and currency depreciation and declining living standards. One of the most affluent republics of the former Soviet Union, Ukraine used to boast its GDP per capita four times that of China in 1991, and now it's only half of that of China. It used to be known as the "European Granary" and its heavy industry, notably the military sector, was also strong. In 1991, its people were largely optimistic about their country's prospect following its independence, but few expected that it turned out to be such a disappointment. What a thought-provoking lesson for China!

Kyrgyzstan has fared no better than Ukraine after the color revolution. In March 2005 when the so-called "Tulip Revolution" replaced President Akayev with Kurmanbek Bakiyev, the Western media was again in euphoria to hail it as a victory of "democracy and freedom". The "Tulip Revolution", however, resulted in continued political instability that took a heavy toll on the country's economy, as the political forces representing the southern and the northern regions of the country were engaged in constant fight for power. In less than five years from coming to power, Bakiyev, the hero of the "Tulip Revolution", was brought down by another "revolution" in 2010, which touched off violent conflicts, causing China to evacuate its nationals from Kyrgyzstan.

The extensive adverse impacts of those upheavals on the country's political, economic and social life have continued to this day. Bishkek, the capital of the country, looks like a Chinese county seat of the 1980s, drab and worn out, at least four decades behind Ürümqi, the capital of China's Xinjiang autonomous region. The Western-style democracy has led the country nowhere except endless power struggles, poorer governance, depressed economy and lower living standards. Evidently, the course of events after the "revolution" was very much below the Western expectations, and they felt perhaps even more disillusioned when they later found that the new Kyrgyz government seemed on better terms with Vladimir Putin than with the West.

Developments in Georgia are also discouraging. In 2003, what was termed as the “Rose Revolution” took place in the country when Mikheil Saakashvili, a pro-America politician, drove away President Eduard Shevardnadze. As a token of honor for Saakashvili, the then US President George W. Bush paid a special visit to this small country, with a population of less than five million. Bush lauded the country as a “beacon of democracy” in Eurasia. When the Beijing Olympic Games was under way in August 2008, Saakashvili ventured, with a naïvety to believe in America’s forthcoming support, a small war between Georgia and Russia, but it ended up in Georgia losing complete control over its two republics. The war coupled with the 2008 financial crisis inflicted heavy tolls on Georgia, and despite the recent modest economic recovery, the Georgian economy remains extremely vulnerable, with about half of its people still living in poverty. If we assess Kyrgyzstan and Georgia or all the Arab Spring countries according to the aforementioned Chinese criteria set out by Deng Xiaoping, their current status would be graded as “failures”.

Perhaps we should ask a more straightforward question: Why the Arab Spring and the color revolution fail? To this author, fundamentally speaking, most states are an organic entity composed of political, economic and social spheres, and the Arab Spring or color revolution can at best change a bit the superficial layer of the political sphere, whereas the deep layers of the political sphere as well as the social and economic spheres are not easily changeable, social sphere in particular. This is the fundamental reason why these radical political changes tend to end up in failure.

Furthermore, the Western political model can hardly meet the pressing challenges faced by these countries such as unemployment, population explosion, abject poverty and ethnic divergences and religious conflicts. On the contrary, it tends to make them more complicated. Another reason for their failures is the absence of a rule of law tradition in many non-western societies, political losers usually do not accept their election failures, and each failure inspires more social divides and even civil wars.

In this context, one can better appreciate why China succeeds and why most Chinese prefer their own model. True, China is still portrayed in the Western media as beset with social and political crises, awaiting a “color revolution” to be turned into a liberal democracy. But Beijing asserts that China has found its own way to success, which is officially called “socialism with Chinese characteristics.” Many in the West dismiss this as

none other than an attempt to further delay much-needed political reform, without which China's future would be hopeless. But having made so many wrong predictions about China, it is advisable for the West to take the Chinese claims more seriously. Here are six claims as to why China will continue to move ahead with its own model:

First, common sense: With a population larger than those of North America, Europe, Russia and Japan combined, and with no tradition of liberal democracy, but with memories still fresh of the devastating breakup of the Soviet Union and failures of the Arab Spring and "color revolutions", Beijing has good reason to suspect the wisdom of the Western model for non-Western countries (maybe for many Western countries as well). It is a real fear among the Chinese that the country may well become ungovernable if it were to adopt the adversarial Western political system. As a civilizational state, a product of hundreds of states amalgamated into one over its long history, this fear is based on common sense.

Second, empirical evidence: China in fact tried American-style democracy following its 1911 Republic Revolution, but it turned out to be a devastating catastrophe. The country was soon plunged into chaos and civil war, with hundreds of political parties vying for power and with warlords fighting one another with the support of various foreign powers. The economy was shattered and tens of millions lost their lives in the decades that followed. That lesson remains so sharp that even today ordinary Chinese are most fearful of *luan*, the Chinese word meaning chaos. Independent opinion surveys in China show that public order is generally ranked as the most cherished value in China.

Third, performance: China has arguably performed better than most other countries, including most liberal democracies over the past three decades, especially in the domains that are of the greatest concern to the Chinese such as poverty eradication, wealth generation, job opportunities and street safety. China has its share of problems, but China's success overall is beyond doubt. Having myself traveled to over 100 countries, most of them developing ones, I cannot recall a single case of successful modernization through liberal democracy, and there's no better example illustrating this than the huge gap between India and China: both countries started at a

similar level of development six decades ago, and today China's GDP is five times greater and life expectancy 10 years longer.

Fourth, competition: The liberal democracy model itself is in deep trouble, witnessing the financial and economic crises of the deeply indebted America and of the distressed Europe. Despite its known strengths, liberal democracy as an institution has been seriously eroded by such persistent problems as demagoguery, short-termism, simple-minded populism, the excessive influence of money and special interests. Even Francis Fukuyama, the advocate of the end of history thesis, lamented in a *Financial Times* op-ed in 2011 that American democracy has little to teach China.[9]

Fifth, the China model: The economic successes of the China model have attracted global attention, but the model's political and institutional ramifications have received comparatively little notice, perhaps for ideological reasons. Without much fanfare, Beijing has introduced significant reforms into its political governance. In line with the Confucian tradition of meritocratic governance, Beijing practices — not always successfully — meritocracy across the whole political stratum. Performance criteria for poverty eradication, job creation, local economic and social development and, increasingly, a cleaner environment are key factors in the promotion of local officials. China's dramatic rise over the past three decades has been inseparable from this meritocratic political model. Leaving aside sensational corruption scandals and other social ills, China's governance, like the Chinese economy, remains resilient and robust. China's meritocratic model of "selection + election" is well-positioned to compete with the Western model of popular democracy.

Sixth, *minyi* vs. *minxin*: Behind all the above is the Chinese philosophy of governance, including, *inter alia*, the two distinctive Chinese concepts: *minyi* and *minxin*, the former referring to "public opinion", and the latter "the hearts and minds of the people" (approximate English translation) which was first put forward by Mencius (372–289 BC). And *minyi* or public opinion can be fleeting and change overnight, while *minxin* or "hearts and minds of the people" tends to be stable and lasting, reflecting the whole and long-term interest of a nation. Over the past three decades, occasionally

populist under the pressure of *minyi*, the Chinese state has generally practiced "rule by *minxin*", which allows China to plan for medium-to-long terms and even for the next generation. It's not far-fetched to claim that the China model is arguably more about leadership, while the liberal democracy model seems increasingly more about showmanship and less about performance.

True, China is still faced with many daunting challenges, but China is indeed better than any time in its modern history, and the country is now the world's largest laboratory for economic, social and political experimentation, and there is a good reason to believe that with more reforms and development, China will reach its objective of its rejuvenation, with all its implications for China itself and for the rest of the world.

---

[1] Didi Kirsten Tatlow, "Q. and A.: Zhang Weiwei on Why China Will Succeed under the Communist Party", http://sinosphere.blogs.nytimes.com/2015/06/12/.

[2] The original wording reads as follows, "You have said that China's recent history can be divided into three parts: overcoming bullying [before the 1949 Communist revolution], overcoming starvation [under the leadership of Mao Zedong, post-1949] and now overcoming 'bad-mouthing' [by foreigners]". As the bracketed words are obviously inaccurate in presenting my meaning, I have made my corrections here.

[3] Christina Larson, "The People's Republic of Rumors", http://foreignpolicy.com/2011/07/08/the-peoples-republic-of-rumors/, July 8, 2011.

[4] A revealing study by Princeton University Prof. Martin Gilens and Northwestern University Prof. Benjamin I. Page concludes that the US is, "dominated by a rich and powerful elite". See BBC report: http://www.bbc.com/news/blogs-echochambers-27074746.

[5] Richard Gowan and Franziska Brantner, "A Global Force for Human Rights? An Audit of European Power at UN", European Council on Foreign Relations (ECFR), ECFR Policy Paper, September 2011.

[6] Francis Fukuyama and Zhang Weiwei, "The China Model, A Dialogue Between Francis Fukuyama and Zhang Weiwei", *The New Perspectives Quarterly*, 28 (2011).

[7] See http://world.huanqiu.com/exclusive/2015-03/5897786.html.

[8] Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3, People's Press, Beijing, 1994, p. 213.

[9] *The Financial Times*, April 24, 2011.

CHAPTER 5

GLORY AND DREAM OF A CIVILIZATIONAL STATE

5.1 Glory: Yesterday and Today

In September 2013, a French scholar came up with a question the moment I finished my speech on how to understand contemporary China at the Netherlands Institute of International Relations in The Hague: “China is gathering momentum in its modernization drive, but it is seemingly reluctant to identify itself with the Western sense of modernity. Why is it?” In response, I said, “To answer this question, one must first of all have an insight into the origin of Western modernity. Not far from this assembly hall are two places worth visiting, one being the former residence of the great Dutch philosopher Baruch Spinoza and the other the Royal Delft. Back in the 17th century when most of the European states were theocracies, Spinoza, who was considered heretical and was excommunicated in the Netherlands, was said to have had a secret meeting with German philosopher Gottfried Wilhelm von Leibniz in this city. Together, the two philosophers discussed one of their shared findings: other than a theocracy, China was a secular state (or a state of modernity then). They were

confident that China was a successful state as it followed a secular, natural and non-theocratic way of governance".

"In the Royal Delft," I continued, "You may come to know what was happening around the 17th century. At that time, the Dutch East Indian Company imported vast amount of Chinese porcelains to sell across Europe. As porcelains at the time were something similar to iPads today, Dutch merchants made a huge fortune. What's more significant, however, was that many educated Europeans found that Chinese porcelains unveiled a fresh perspective: these porcelains were not only refined in quality and exquisite in designs, unmatched in Europe then, but the contents of the designs were also unique: compared with the European art then which was almost exclusively religious, Chinese porcelain paintings were themed primarily on the daily life of commoners: peasants tilling, old men angling, children playing, fertility blessed and enriched natural sceneries. Put it another way, the Chinese art was non-religious, and this worldly, which brought a sense of shock to much of Europe. One might as well rephrase it this way: it was perhaps not far-fetched to claim that China's secular culture brought much of Europe from the world of God to this secular world". An impressive wave of "eastern learning moving westward" in fact occurred from the 16th to the early 18th centuries, and this truth shall not be buried in oblivion.

Yet, the Eurocentric narrative goes more or less as follows: out of ancient Greece came ancient Rome, from there the Christian Europe emerged, to be followed by the European Renaissance and the Enlightenment that generated democracy, the Industrial Revolution and the modern world. Behind this Eurocentric narrative lurks a grand and more presumptive narrative: Europe in many ways represents a superior civilization compared with other ones, and the core of the European civilization is rationality and democracy, as contrast to the old and backward Oriental society and autocratic China. It follows that China must go wrong or even bankrupt if it is unwilling to follow the lead of the West, and what one has to do is to move ever closer to the Western model. American historian Eric Wolf put it this way: "History is thus converted into a tale about the furtherance of virtue, about how the virtuous [i.e. the West] win out over the bad guys [the East]…".[1]

In retrospect, Eurocentrism and the sense of superiority of the Western civilization provided the West with a narrative that was ultimately

responsible for the rise of racism, colonialism and imperialism. Over the past decades, those voices that had repeatedly predicted China's inevitable collapse have their theoretical roots in the "end of history" thesis and Eurocentrism. It is high time now to identify the origin of such narratives and highlight their untenable foundations. A great many scholars have done research on this matter, thus enabling us to acquire a sharper insight into the core of many issues involved such as the origin of the Greek civilization as well as that of the Enlightenment. Their conclusions are not yet the mainstream opinions in the West, but they have shed much needed light on many crucial issues.

There are at least two major revisionist interpretations about the origin of the ancient Greek civilization: one view is represented by Cornell University historian Martin Bernal, who held that the Western discourse on the greatness of the Greek civilization did not take shape until the turn of the 19th century, when European scholars, with the rise of racism, deliberately reconstructed the European identity by "fabricating ancient Greece" as the origin of modern Europe and distancing it from a more developed ancient Egypt and Phoenicia and other Eastern civilizations. They canonized ancient Greece as the cradle of the European civilization based on the so-called tradition of democracy and scientific rationality or what's called the "Aryan model", but ancient Greeks never considered themselves as Europeans and knew nothing of the "Aryan model". They did not see their political institutions, science, philosophy or religion as original, but rather as derived more from the East in general, and Egypt in particular.[2]

Martin Bernal submitted the view that ancient Greek culture was closely related to Egypt and could even be a part of it. Bernal pointed out that the scientific achievements scored by ancient Greeks owed much to ancient Egypt. In Bernal's view, the "Ancient Model" of Greece was eventually replaced by the "Aryan Model" at the turn of the 19th century when the Eurocentrics reconstructed Greece as purely European. Bernal stated that "the palpable successes of natural science during this period have confirmed the truth of this belief in that area. Its extension to historiography is less securely based. Nevertheless, the destroyers of the Ancient Model and the builders of the Aryan Model believed themselves to be scientific. To these German and British scholars, the stories of Egyptian colonization and civilizing of Greece violated racial science as monstrously as the

legends of sirens and centaurs broke the canons of natural science. Thus all were equally discredited and discarded."[3]

Ali Mazrui shared Bernal's view and noted that the fabrication of Ancient Greece was essential to the Eurocentric construct of democratic/scientific Europe as superior to the despotic and non-scientific East.[4] Yet, in fact, "Europa" in Greek mythology as a mythical persona was the daughter of Agenor, King of Tyre, situated on the coast of Lebanon. Put it another way, as John Campbell and Philip Sherrard argued that "Greece was linked spiritually and culturally to the East; and … attempt to turn away from, or to deny, this eastern heritage has always implied for Greece a cheapening and coarsening of spiritual and cultural values."[5]

Bernal also asserted that "we are now approaching … the origins of the forces that eventually overthrew the Ancient Model, leading to the replacement of Egypt by Greece as the fount of European civilization. I concentrate on four of these forces: Christian reaction, the rise of the concept of 'progress', the growth of racism, and Romantic Hellenism. All are related; to the extent that Europe can be identified with Christendom, 'Christian reaction' is concerned with the continuation of European hostility and intensification of the tension between Egyptian religion and Christianity."[6]

The other view, as represented by English scholar John M. Hobson, holds that the ancient Greece owes a lot to the Islamic world that preserved its classics until Europe was finally able to break through the 1,000-year-long Dark Ages and managed to get connected with the ancient Greek and Roman civilizations, and without the Islamic role as custodians, the Greek classics would have vanished. Furthermore, "many of the crucial ideas which underpinned the European Renaissance and the subsequent scientific revolution were in fact derived from the East, and diffused across the Islamic Bridge to the World through oriental globalization."[7]

In terms of state-building, Qian Mu, a respected Chinese historian highlighted a contrast between ancient China, Greece and Rome. He described succinctly ancient Greece as "*youmin wuguo*" or "with a population, without a (unified) state" and ancient Rome "*youguo wumin*" or "with a (unified) state, but without a nation". By contrast, ancient China was a unified state with a nation (with unified language, unified administration, unified system of measurement, etc.). Qian held that ancient Greece, other than a unified state, was loosely composed of a multitude of

small towns, “each with a population of tens of thousands”, which was smaller than that of a county in China’s Qin (221–206 BC) or Han dynasties (206 BC to AD 220).[8]

The ancient Roman Empire had no nation of its own. Engaged in endless military expeditions over years, it boasted at its peak a territory of 3.5 million square kilometers with a population of about 70 million, a probable counterpart of it being the Western Han Dynasty (206-25 BC) in China, and a territory of some 4 million square kilometers and a population of similar size. However, the Roman Empire did not possess the kind of governance competence like China’s Qin or Han dynasties. It followed that the entire empire, plagued by economic decline, political instability and barbarians’ invasions collapsed by AD 476, and its successor the Eastern Roman Empire was never taken as a European country. Most historians believe that Europe, with the collapse of the Roman Empire, sank into what’s called the Dark Ages which lasted as long as one millennium. As is generally acknowledged, it was not until the Renaissance in the 15–16th century that Europe began to break away from the long Dark Ages.

China was different. Since Emperor Qin Shihuang unified the country in 221 BC, he initiated a series of reforms, including unification of writing, transportation, and measurement as well as establishment of the system of prefectures and counties, thus laying the foundation for a huge and unified state. Although the Qin Dynasty was short-lived and China experienced much disunity since then, the dominant political theme in Chinese political tradition since 221 BC has been “keeping the country united and prosperous”, and seeking the country’s unification when it had split apart. The system of governance has been largely continuous since 221 BC, as Chairman Mao put it, “The Qin system has been inherited by all future dynasties (百代都行秦政制).” The aspiration for China’s grand unification has characterized almost all Chinese successive dynasties as Dong Zhongshu (*Tung Chung-shu*, 179–104 BC), a great scholar of the Han Dynasty, claimed, “The grand unification of China, a paramount law of eternality, is the universal tenet of all ages.”[9]

In his lately published *The Origins of Political Order*, American political scientist Francis Fukuyama observed correctly that China is the world’s oldest modern state in the Weberian sense of a centralized, meritocratic and impersonal government. He noted that “modern political institutions appeared far earlier in history than did the Industrial Revolution

and the modern capitalist economy. Indeed, many of the elements of what we now understand to be a modern state were already in place in China in the third century B.C., some eighteen hundred years before they emerged in Europe."[10] In other words, Fukuyama himself has debunked a crucial part of Eurocentralism.

Furthermore, one may also compare the level of development between China and Europe over the long past. On the whole, Europe lagged behind China in most areas for most of the past two millennia, not only in terms of overall GDP, as China was the world's largest economy till the early 19th century, accounting roughly for 25–35% of the world's aggregate total, but also in terms of technological developments. In *Science and Civilisation in China*, Joseph Needham, the erudite Cambridge scholar, highlighted the gap of technological developments between Europe and China in the past: "China produced a profusion of developments which reached Europe and other regions at times varying between the 1st and the 18th centuries…", and he made a summary of his findings (Table 5.1):

Table 5.1. Transmission of mechanical and other techniques from China to the West

		Approximate lag in centuries
(a)	Square-pallet chain-pump	15
(b)	Edge-runner mill	13
	Edge-runner mill with application of water-power	9
(c)	Metallurgical blowing-engines, water-power	11
(d)	Rotary fan and rotary winnowing machine	14
(e)	Piston-bellows	c. 14
(f)	Draw-loom	4
(g)	Silk-handling machinery (a form of flyer for laying thread evenly on reels appears in the 11th century, and water-power is applied to spinning mills in the 14th)	3–13
(h)	Wheelbarrow	9–10
(i)	Sailing-carriage	11
(j)	Wagon-mill	12
(k)	Efficient harness for draught-animals: Breast-strap	8
	(postilion) Collar	6
(l)	Cross-bow (as an individual arm)	13
(m)	Kite	c. 12
(n)	Helicopter top (spun by cord)	14
	Zoetrope (moved by ascending hot-air current)	c. 10
(o)	Deep drilling	11
(p)	Cast iron	10–12
(q)	“Cardan” suspension	8–9
(r)	Segmental arch bridge	7
(s)	Iron-chain suspension-bridge	10–13
(t)	Canal lock-gates	7–17
(u)	Nautical construction principles	>10
(v)	Stern-post rudder	c. 4
(w)	Gunpowder	5–6

	Gunpowder used as a war technique	4
(x)	Magnetic compass (lodestone spoon)	11
	Magnetic compass with needle	4
	Magnetic compass used for navigation	2
(y)	Paper	10
	Printing (block)	6
	Printing (movable type)	4
	Printing (metal movable type)	1
(z)	Porcelain	11–13

Source: Joseph Needham, *Science and Civilisation in China*, Vol. 1, Cambridge University Press, Introductory Orientations, Cambridge, 1988, pp. 240–242.

Europe entered into the Dark Ages following the disintegration of the Roman Empire, which were marked by religious persecutions and conflicts and wars, whereas in China, there were problems of all kinds, including purges of intellectuals from time to time, but the dominant Confucian culture was on the whole far more inclusive and tolerant than Europe's exclusive religious traditions. Hence, Chinese history, like that of others, witnessed varieties of conflicts and wars, but unlike Europe, it rarely experienced ethnic cleansing or religious wars, which marred European history for centuries. Co-existence and cultural borrowing between Confucianism, Buddhism and Taoism became a hallmark of Chinese culture, a manifestation of the Confucian ideal of "harmony in diversity".

Then what eventually helped Europe break away from its stagnation and darkness? John M. Hobson tried to reestablish the fact that the Islamic world and the East were far more developed and dynamic than Europe of that era: "the center of Islam, Mecca, was in turn one of the centers of the global trading network. Islam's power spread rapidly after the 7th century so that the Mediterranean became in effect a Muslim lake, and 'Western Europe' a promontory within the Afro-Asian global economy. Islam was to have a particularly powerful influence on the development of Europe especially, though by no means exclusively, via Islamic Spain. Above all the Islamic world constituted no less than the Bridge of the World, across which many Eastern 'resource portfolios' as well as trade passed through to the West between 650 and c. 1800."[11]

Canadian military historian Gwynne Dyer has also noted that the Roman civilization did not collapse in the eastern Mediterranean where Arab and Turkey had reigned, it instead became Islamized. That is to say, the Islamic states in Asia preserved those ancient Greek classics that would have been in oblivion otherwise. During the Crusades, Europeans reached this region and translated the works by Euclid, Ptolemy, Archimedes, Plato, Aristotle and others from Arabic into Latin. Meanwhile, thanks to its geographical location, the Islamic world benefited abundantly from the inventions by the Chinese and Indians. In his *Guns, Germs and Steel*, American scientist and writer Jared Diamond noted that "Medieval Islam in the same region was technologically advanced and open to innovation. It achieved far higher literacy rates than contemporary Europe; it assimilated the legacy of classical Greek civilization to such a degree that many classical Greek books are now known to us only through Arabic copies; it invented or elaborated windmills, tidal mills, trigonometry, and lateen sails; it made major advances in metallurgy, mechanical and chemical engineering, and irrigation methods; and it adopted paper and gunpowder from China and transmitted them to Europe. In the Middle Ages the flow of technology was overwhelmingly from Islam to Europe, rather than from Europe to Islam as it is today. Only after around A.D. 1500 did the net direction of flow begin to reverse."[12]

The 15–16th centuries were described in European history as the Age of Great Navigation, but comparing Chinese Admiral Zheng He's seven grand voyages (AD 1405–1433) with Christopher Columbus' "discovery" of Americas, Admiral Zheng He's flagship (AD 1421) was over 100 meters in length with over 10,000 tons of displacement or roughly 100 times that of Columbus' Santa Maria (AD 1492, which was about 80 years after Zheng He's grand voyages). Zheng He's fleet carried over 25,000 sailors, 100 times more than Columbus's crew.

A cultural gap also existed between Europe and China. For more than once, French Enlightenment thinker Voltaire exclaimed, the Chinese empire was "the oldest of the entire world, the best governed doubtless because it was the longest lasting".[13] In his book, *1421*: *The Year China Discovered the World*, English historian Gavin Menzies observed: "In December 1404, (Emperor) Zhu Di had appointed two long-time advisers, Yao Guang Xiao and Lui Chi'ih, assisted by 2,180 scholars, to take charge of a project, the Yong-le-Dadian, to preserve all known literature and knowledge. It was the

largest scholarly enterprise ever undertaken. The result, a massive encyclopedia of four thousand volumes containing some fifty million characters, was completed just before the Forbidden City was inaugurated….There was nothing remotely comparable anywhere in the world. Printing was unknown in Europe — Gutenberg did not complete his printed Bible for another thirty years — and though Europe was on the eve of the Renaissance that was to transform its culture and scientific knowledge, it lagged far behind China. The library of Henry V (1387–1422) comprised six handwritten books, three of which were on loan to him from a nunnery, and the Florentine Francesco Datini, the wealthiest European merchant of the same era, possessed twelve books, eight of which were on religious subjects."[14] Menzies submitted the view that the rise of the European scientific learning in modern times was more likely the product of massive borrowing and importing of the scientific knowledge from the East, notably from China and the Arab world rather than the product of the Protestant belief as claimed by Max Weber. For Menzies, to think that modern science had been generated out of the meager 100 or so books found in all the monasteries across Europe was simply imaginary.

In this context, it is not at all accidental that the Renaissance should have first started in Italy in the 16th century, as it was the European country that had the most contacts with the East. Chinese historian Zhu Qianzhi opined that in the 13–16th centuries the major inventions spread from China to Europe via the Arabs paved the way for the Renaissance in Europe,[15] and China's earliest cultural products exported to Italy included silk, bronzeware and chinaware, and it is also very likely that China's textile and papermaking technologies were introduced into Europe via Italy. When the once cut-off route between China and Italy reopened in the 13th century, Venice stood out as the key city connecting China and Europe, a telling example being the case of the Venetian merchant Marco Polo, who arrived in China in 1275 at the turn of the Song and Yuan dynasties. Upon his return to Europe, he published *Travels of Marco Polo* with a kaleidoscopic account of China's society, economy, culture and polity. This travelogue created an enduring sensation in Italy and later in other European countries, its audiences having never imagined that there could be so prosperous and advanced a country in the world.

Maurice Colis held that *Travels of Marco Polo* is not simply a travelogue but a work of shock and enlightenment to the European minds

and exposed them to a vast horizon of new knowledge, which contributed to Europe's Renaissance.[16] Karl Marx also observed: "Gunpowder, the compass, and the printing were the three great inventions which ushered in bourgeois society. Gunpowder blew up the knightly class, the compass discovered the world market and founded colonies, and the printing was the instrument of Protestantism and revived science in general."[17]

Chinese influence on the Enlightenment was also evident. The 17th century Netherlands is worth mentioning here, as it was the most developed European country then, and the Dutch Renaissance was apparently inseparable from its booming trading relations with China. Harold J. Cook noted in his *Matters of Exchange: Commerce, Medicine, and Science in the Dutch Golden Age* that the Dutch Renaissance was, probably above all else, a revival of the Oriental civilization in the Netherlands rather than the rebirth of the ancient Greek civilization. For the Netherlands, what was included in the Dutch "knowledge of nature" were roughly those garnered from foreign countries such as China's porcelains and Chinese technologies in printing, shipbuilding and navigation, as well as warfare technologies (especially the use of firearms) from Mongolia, gardening techniques and minerals from Arab, spices and knowledge of species from Southeast Asia, medicinal plants from India. The "knowledge of nature" distinguished itself from the "knowledge of God" in Europe and added much to Europeans' aesthetic appreciation of secular life and gave rise to the Dutch Renaissance and modern science in Europe.[18]

The Enlightenment philosopher Leibniz took a keen interest in just about everything Chinese. As competing religious sects turned Europe into a killing field for much of the 16th and 17th centuries, Leibniz observed that "the Chinese had succeeded in preserving what any reasonable person must assume to be God's wishes, where all the other world religions, in particular Christianity, had failed," and he noted that Europe may need "missionaries from the Chinese who might teach us the use and practice of natural religion". For Leibniz, the Chinese were not simply great craftsmen and ingenious designers, they were also a deeply moral people and ethics was their true strength.[19]

For Voltaire, it was reason that enabled China to free itself from chaotic religious wars. In contrast with war-torn Europe, China was then a vast continent of admirable peace. Deutschland was broken up into 314 minor states by the *Treaty of Westphalia* of 1648 at a time when China was

witnessing the establishment of the Qing Dynasty in 1644 and commencement of the vast empire of the “Golden Age of Three Emperors”. Deutschland did not merge into 39 sovereign city-states until the end of the Napoleonic Wars in 1815. For the Enlightenment thinkers, they attributed China’s long-lasting peace to its unity, which stood in sharp contrast to the divided and war-torn Europe. Voltaire thus believed that China was ruled by wise men of reason. To pay homage to the Chinese customs and moral standards, he adapted the Chinese opera *Orphan of Chao* of the Yuan Dynasty (AD 1271–1368) into *Orphelin de la Chine*.

It was equally interesting and revealing that European liberal economists like Francois Guesnay (1694–1774) at the time had taken China as their ideal model. Guesnay was dubbed as the “Confucius of Europe” as he admired Confucius for his emphasis on agriculture, believing that land was the source of all wealth and taxes. For Confucius, agriculture sustained the survival and development of a nation, an idea that had a palpable imprint on the 18th century mainstream economists. It is widely believed that such key economics concept as *laissez-faire* was Francois Quesney’s translation of Lao Tse’s concept of *wuwei*, literally meaning “no action” or allowing things to take their own course.

In their co-authored *Elemens de la Philosophie Rurale*, Quesney and Mirabeau elaborated on how Chinese emperors presided over the ceremony at the Altar of Land and Grain every year when spring was around as a symbol of support for peasants and desire for a bumper harvest in the coming year. Men ploughing and women weaving constituted the scenario peculiar to a prosperous agricultural society like China. Emperor Kangxi of the Qing Dynasty was so ardent a lover of the classical *Painting of Ploughing and Weaving* that he ordered the court painters to draw dozens of paintings on the same themes and composed poems for these paintings, and Chinese emperors’ participation in agricultural events seemed to set a model for quite a few European royal courts that in 1756, King Louis XV of France personally attended a ploughing ceremony, and in 1764, King Joseph of Austria did the same.

Over the past two years, *The Old Regime and the Revolution* (*L’Ancien Régime et la Révolution*) by the French thinker Alexis de Tocqueville (1805–1859) has become unexpectedly a bestseller in China. Tocqueville noted in this book that throughout the 18th century, virtually all French thinkers praised China for some reason: “It is, for them, what later England

and finally America became for all the French. They find themselves moved, and apparently entranced, at the sight of a country whose sovereign, absolute but exempt from prejudices, once a year plows the earth with his own hands to honor the useful arts; where all positions are obtained through literary competitions, which has for religion only a philosophy, and for an aristocracy none but intellectuals."[20]

However, the above was not the whole picture, and there were a few exceptions, notably, Montesquieu (1689–1755) and G. W. F. Hegel (1770–1831), both defined the Chinese regime as despotic. With the ascent of Europe and decline of China and Asia, their arguments, however biased and superficial from today's perspective, gradually became the dominant view in the West. Their discourse on China coincided with the rise of Eurocentrism and racism in Europe. In the *Spirit of the Laws*, Montesquieu divided the world's people into three broad categories: savages, barbarians and civilized, while Hegel himself, loyal to the King of Prussia, was all along Eurocentric and authoritarian. Basing their outlook on racism and dichotomy of the Occidental and the Oriental, they knowingly shaped China into the opposite of the Occidental and described China as land of stagnation ruled under "Oriental despotism" in sharp contrast to a free and civilized Europe. Their negative discourse on China has generated lasting impact on the Western perception of China. The assertions of Montesquieu and Hegel, however, are at best superficial and racist. Joseph Needham thus observed that if China was so despotic and lack of freedom how China could have been so much ahead of Europe on virtually all fronts for most time of the past millennia.[21]

To this author, there were good reasons as to why China led Europe for so long: To begin with, in Chinese political philosophy, "the mandate of heaven" is not a godly but secular concept, which was widely upheld as an admonition to the rulers. One of the most famous Confucian principles has captured the essence of this mandate: "Water can carry a boat, but also overturn it", and Mencius openly stated that people had the right to rebel if the ruler lost his "mandate of heaven" and he asserted that "people are the most important, the nation is the next, the ruler is of the least importance". In this context, "the mandate of heaven" is none other than the Chinese version of the "social contract", which was over 2,000 years earlier than Jean-Jacques Rousseau's.

Political scientist Zhao Dingxin observed that this “mandate” highlighted the Chinese perception of legitimacy based on meritocracy. Under such a mandate, a ruler could not determine his own fate unless he ruled the country by virtue and with diligence and dealt with natural calamities with competence, as the latter was often perceived as signs of the test from the heaven to assess the competence of a ruler. Failures in handling well such calamities would often mean losing of the mandate, and people at large could rise up and rebel, something inconceivable in Europe for many centuries to come. By contrast, European monarchs, big or small, were mostly absolutist and despotic, but not the Chinese ones.[22]

Second, relevant to the doctrine of “the mandate of heaven” is the traditional idea of *minben*, a concept best defined by the famous Confucian motto that “the people are the foundation of the state, and when the foundation is stable, the country is peaceful” (*minwei bangben, bengu bangning*). American sinologist Karl Buneger noted that the Chinese emperors had no absolute power except “the mandate of heaven”, which was an obligation to be fulfilled. Emperors had the responsibility and obligation to run their country well and therefore a good emperor had to conduct himself in line with the moral codes of Confucianism, bent on administering his country, resisting foreign attacks and attending to people’s livelihood by controlling floods, developing irrigation, constructing roads, providing enough food and relieving the distressed. Indeed, the ancient Chinese regimes assumed far more responsibilities for people’s livelihood than their counterparts in Europe.[23] There were incompetent emperors and corrupt court officials in China’s long history, but it’s generally acknowledged that China was a better governed and more developed country than its European counterparts for most of the past two millennia.

Third, “the mandate of heaven” rested on a whole set of institutional arrangements, notably, the *Keju* system or civil service examination system adopted as early as in the Sui Dynasty (AD 581–618) to select officials, including senior ones, from the educated public at a time when absolute monarchy and aristocratic hereditary dominated Europe. It was not until the mid-to-late 19th century that this practice was introduced to Europe and North America.

Fourth, ordinary Chinese apparently enjoyed more freedoms in the past than their European counterparts. For one thing, both China and Europe were then traditional agricultural societies, where the most valued asset was

definitely land. In China, land was free for sale in most of the time, in contrast to much of Europe where land was the exclusive property of feudal lords. China was also a super-large country where the state apparatus reached only to the level of county, not below. In other words, most ordinary Chinese lived their own way of life, in most cases not under the sway of the state, and they managed their own affairs by following age-old cultural and philosophical traditions, especially the Confucian teachings. A Chinese saying goes like this: “mountains are high, and the emperors are far away”, people carried about their daily affairs with much freedom. In terms of grassroots governance, village and township affairs were mostly managed by the local gentry, rather than the state.

But how could Europe eventually overtake China? Here are four possible explanations: First, war. No continent experienced more wars than Europe. For instance, John Micklethwait and Adrian Wooldridge estimated that “there was only a single year in the first half of the 17th century that was free from wars between European states (1610) and only two in the second half (1670 and 1682). During the brutal Thirty Years’ War,… the German population fell by between 25 and 40 percent.”[24] However, bad things, in a dialectical way, turned out “positive”, if one could use the term, in the sense that after suffering extremely heavy tolls on human life, some European states came out as “winners” with superior industrial capability, organizational competence and military power, and they then started military expansions beyond Europe. Through their overseas ventures of colonization, they gained massive treasures and resources from their victims, including China which was forced to pay outrageous “war indemnities”, and the country was soon reduced to the status of abject poverty.

Second, finance. After the merchants from Venice and other cities became rich through their trade with the East, they began to invest in military expansion and funded many wars within Europe and beyond. In the *Great Divergence: China, Europe, and the Making of the Modern World Economy*, American historian Kenneth Pomeranz held that as the major resource of the British Industrial Revolution, cotton, came largely from the American continent and from the farms controlled by slave owners in the South, while Asia and Americas, rather than Britain, provided markets for the products of the Industrial Revolution. He argued that the funding far exceeding Britain’s national strength had been raised from London’s capital

market from 1689 to 1815, while the indemnities from China following the two Opium Wars paid for UK's official deficits.

Thirdly, China's "currency shortfalls". Despite being the world's largest economy till the early 19th century, China experienced several rounds of "currency shortfalls". This dilemma started in the 16th century when the Spaniards embarked on extensive silver mining in the Americas and began to export silver to China. China failed to grasp the importance of monetary sovereignty for its economic well-being and developed a dependency on imported silver to balance its currency shortfalls. Successive courts in the Ming and Qing Dynasties tried several time to establish a unified monetary authority or monetary sovereignty, but ended up in failure. The Chinese monetary sovereignty was not established until the founding of the People's Republic of China in 1949. By the mid-19th century when the British-dominated world monetary system shifted from the silver standard to the gold standard, China suffered heavy losses, and this, coupled with its huge war indemnities, caused the collapse of the Qing Dynasty.[25]

Fourthly, China's internal decay. Possessed with a sense of grandeur, the courts of the Qing dynasties adopted a close-door policy and was utterly unaware of the stunning changes in the outside world. They failed to keep pace with the changing times and were totally unprepared to cope with the challenges from the rising Western powers. China's internal decay was further exacerbated by China's repeated defeats at the hands of the Western powers in the 19th century.

In hindsight, it is perhaps fair to say that two things stand out strikingly in the process of the rise of the West: military and financial. In many ways, this is still the case today with the West, especially the United States, which still maintains the world's largest military machines and a global network of military bases and dominates the world financial system.

But time has changed, and China has handled its military and financial affairs reasonably well. Militarily, China's strength is completely different from the past. China's decisive military showdown with the United States and its allies in the Korean War in the early 1950s helped reverse the course of history. Today, few foreign powers dare to invade China and they have to think many times before they conceive any possible military actions against China. China has since enjoyed more than six decades of peace for the first time in its modern history. China hence becomes one of the few countries in the world capable of making long-term and independent decisions.

Financially, the People's Republic of China has firmly established the status of renminbi (RMB) as China's national currency since the founding of new China in 1949 and rapidly established a centralized and independent fiscal and financial system, which is one of the greatest achievements China has made over the past 500 years. Today, China has the world's largest foreign exchange reserves and domestic savings, and is fast becoming a net overseas investor and the RMB has become a highly credible and reliable currency.

China has every reason to feel proud for its time-honored civilization and for its remarkable reemergence over the past decades, and China is returning fast to the preeminent status that it had historically enjoyed in the world, but with a new outlook, a modern economy, a powerful defense capability and unprecedented scale of contacts with the outside world. This is the glory of both the past and the present. Former German Chancellor Helmut Schmidt may have rightly captured this sense of Chinese glory, past and present, when he observed in 2013 that "This is a highly sophisticated civilization, continuous for over 4,000 years, yet still full of vigor and vitality today. While ancient Greece, Rome and Egypt all disappeared, and so did the civilizations of Latin America, be it Incas and Aztecs, China remains. China has never developed a national religion of its own, yet it has Confucius as its moral teacher, and that is perhaps why China is fortunate, … and I feel optimistic as ever (about China)."[26]

5.2 The Horizon of the Chinese Dream

On May 12, 2008 Wenchuan of Sichuan Province was hit by a massive earthquake. On May 19, people nationwide stood in silence for one minute to mourn the deceased. After the memorial service ended at the Tiananmen Square, however, a large number of mourners were reluctant to leave. With national flags in hand, they were crying out almost in unison: "Wenchuan, hold on! Sichuan, hold on! China, hold on!" Such a scene would be rare for most other countries, which reflects a Chinese sentiment of "we belong to the same family" and "family and the country sharing the same fate".

To my mind, what we describe as the Chinese Dream today encompasses this feeling, which originates from Confucian ethical values centering on family and individuals' responsibility for family, and by

extension for the country and the heaven (or the world). The most famous line from Confucius in this regard is: “cultivating oneself well, running family well, managing the nation well, and peace will prevail under heaven.” In the Chinese language, the term “country” is *guojia*, literally comprising two characters *guo* (country) and *jia* (family) which conveys the unique Chinese understanding on the relationship between one’s family and one’s country. There are plenty of customary sayings in Chinese tradition which reflect such understanding on state–family relationship, like “sacrificing oneself for the family” and “protecting our families and defending our country.”

In this sense, the Chinese Dream is also a combination of the well-being of the country and that of Chinese individuals and families, whose aspirations are intertwined with those of their country, and the “country” and the “family” have thus become a coherent whole. This sense of higher belonging transcends the Western value of individualism and enables China to become in many ways a more cohesive society than many other societies. It has helped the ordinary Chinese to clear many hurdles and difficulties, insurmountable in the eyes of many outsiders, over the past three decades, such as various natural disasters, health care reform, home purchasing, re-employment of laid-off workers, state enterprise restructuring. As a Chinese saying goes, when a disaster occurs at one spot, help comes from all over the country.

Patriotism generated out of this feeling equally offers a broader horizon, and it rises above the narrow nationalism as one witnesses in much of European history. The history of the rise of the West shows that it is their nationalism other than democracy or constitutionalism that shaped their nation-state and nationhood. And Western nationalism was thus often expressed in nationalistic imperialism leading to innumerable wars among themselves and against other peoples. Chinese sense of patriotism is different: it defies narrow nationalism as it originates essentially from the Chinese civilization, a much larger horizon than the Western one. Chinese patriotism is about the Yangtze River and the Yellow River; about the *Classic of Poetry*, the *Songs of Chu* and the prose from the pre-Qin Era; about the poetry of the Tang Dynasty, lyrics of the Song Dynasty, operas of the Yuan Dynasty and romances of the Ming and Qing dynasties; about such national heroes like Qu Yuan, Yue Fei, Wen Tianxiang; about the Mandarin Chinese and thousands of dialects; about the Great Wall, the

Forbidden City, Gulin sceneries and Terra Cotta Warriors in Shaanxi; about the eight main schools of cuisine from Cantonese to Sichuan styles; about the *Three Stanzas of Plum Blossom Melody*, the *Tune of Lofty Mountains and Flowing Water*, and *the Moonlit River in Spring* and other music pieces; about traditional Chinese architecture from *qilou* (arcaded buildings) in Guangdong to *siheyuan* courtyard house in Beijing; about the Kunqu Opera, Pekin Opera and Cantonese Opera; about the Nanchang Uprising of 1927, war against Japanese invaders and Chinese heroism in the Korean battlefield; about China's *Beidou* Navigation Satellite System, the *Shenzhou* manned spaceship and the high-speed trains; about the Chinese spirit of "don't do unto others what you don't want others do unto you" and "all men are brothers under heaven". It is a patriotism of inclusiveness combining personal aspirations, cultural values and humanistic sentiments. This kind of patriotism has been the driving force behind the founding of the People's Republic in 1949, behind China's cherished independence and its great success in modernization.

Naturally, as a civilizational state, China's horizon is more historical than many other nations. China was indeed ahead of Europe for much of the past two millennia, and China is determined to return to its preeminent status it had long enjoyed. The late Singaporean leader Lee Kuan Yew made a correct observation when he said that China has every reason to aspire for the position as the world's leading power and its re-awakened sense of mission is unstoppable. He further stated that China is not a Western country, and it is unlikely to copy the Western model.[27]

This sense of being a civilizational state also means confidence in its own values, discourse, model of development and political system. China has found its way to success, and this Chinese way has combined elements from China's own fine traditions, socialist ideals and the Western and other civilizations. Indeed, this combination is the main reason why China will, as it is doing right now, have a good chance to overtake the West and the Western model in more and more areas in the years to come.

This sense of being a great nation also means that China's horizon envisions its more contributions to mankind (the idea of "under heaven"). Chairman Mao once said that "should the Chinese nation fail to catch up with the US, it would be unable to live up to the expectations of peoples across the world and its contributions to mankind would be insufficient." With the realization of the Chinese Dream step by step, China will be able

to make greater contributions to the world and mankind. Indeed, the world today is faced with multitudes of challenges from eradicating poverty to fighting global warming, terrorism and nuclear proliferation to tackling financial crisis to preventing the clash of civilizations to reforming the international economic, social and political orders, and all these call for common and determined efforts on the part of the international community, including China, to work together to overcome these challenges.

Indeed, it is perhaps time for the West to think beyond the Cold War mentality and move along with the changing times. What a prospect it will be when China stands out as the world's largest economy with its splendid cultural heritages and an inclusive win–win mentality and a competence to provide, together with other nations, more international public goods and promote the reform of the existing international order in the interest of greater peace and prosperity for the mankind.

5.3 Three Aspects of the Chinese Dream

A dream is about a desire to achieve something better than it is now and the Chinese Dream can also be discussed in the same light. Politically, with China's persistent and unremitting efforts in overtaking the West and the Western model, it is likely that a decade from now Chinese socialism (officially called "socialism with Chinese characteristics") may well become the mainstream socialism in the world, and the Chinese model of development may well be recognized globally as one of the best models of development, and the Chinese political discourse may well evolve into a powerful one with expanding global implications.

As China outperforms the United States in such areas as overall GDP, household net assets, social protection, people's satisfaction with the direction of the country's development, as is the case now or possibly in the near future, China's concept of "socialism with Chinese characteristics" may experience a change, i.e. the modifier "with Chinese characteristics" may eventually be dropped. In other words, there may still be "Swedish socialism" or "Vietnamese socialism" a decade or so from now, but for most people in the world, the idea of "socialism" will mainly refer to Chinese socialism, which may eventually become world's mainstream socialism, given the size and scale of China's success.

With the further rise of China, the ideas and practices of Chinese socialism will be better understood and appreciated, ranging from consultative democracy, neo-democratic centralism, performance-based legitimacy to political power as a relatively neutral and strong power for majority good, meritocracy of “selection plus election”, the concept of *minxin* or winning the hearts and minds of the people and the mixed economy (the socialist market economy). The paradigm of “democracy vs. autocracy” may be replaced by that of “good governance vs. bad governance”. China’s success will surely encourage more countries to explore independently what constitutes good governance and real democracy in the light of their local conditions.

Economically, China is going to stand out as the world’s largest economy. No other nation has experienced such a scale of development and improved living standards in human history, and China’s socialist market economy will grow into perhaps the most competitive model of development. Consequently, the economics textbooks will have to be rewritten to reflect the Chinese inputs. Combining the “invisible hand” with the “visible hand”, the China model gives play to efficient allocation of resources by the market and to the role of socialism for macro-stability and social justice.

China’s institutionalized democratic consultations and decision-making process generates, within China at regular intervals, public expectations, usually more positive than negative, for development. Such expectations in turn create new and often medium to long-term demand. A typical five-year plan in China would capture the attention of a vast part of the Chinese society, from private firms to state-owned enterprises to individual shareholders. The fact that China has been able to sustain a relatively high GDP growth rate for over three decades is inseparable from these regular and predictable cycles of expectation and demand creation. Even now the speed has come down to around 7%, which is still remarkable for an economy of this size, as it means China now “produces” one UK every three years with its annually increased GDP.

An important feature of the China model is what can be called “development administration,” in parallel with “public administration” in the West. China’s five-year national plans and Chinese Communist Party’s (CCPs) annual economic conference are definitely part of China’s “development administration”. The same is true with local development

strategies at various levels of the Chinese local governments. Chinese universities may eventually offer courses and even degrees in “development administration” just as degrees in public administration are common in today’s higher education system.

Backing up the China model are the means at the disposal of the Chinese state. Under the socialist market economy, the Chinese state not only commands such Keynesian instruments as fiscal and monetary policies, but also other instruments, which may not be available in other countries, such as public ownership of land and of strategic resources as well as a state sector which is largely performing and competitive. These instruments give China greater leveraging power. In the financial sector, China is still a newcomer, but it should look beyond the American model and draw lessons from the 2008 financial crisis which had been caused by, in the eyes of many, the Wall Street’s “casino capitalism”, and China’s financial market and products should primarily serve China’s real economy, rather than various financial bubbles, and China should make best use of its foreign exchange reserves. The Asian Infrastructure Investment Bank (AIIB) and the Silk Roads Funds are just great examples of such initiatives.

Socially, China is already the most dynamic and upwardly mobile society with the world’s largest and still fast-expanding middle class. China’s social protection network has started from scratch to reach all, which is by no means a small achievement given the size of the country’s population. China rejects the Western adversarial “society vs. state” model and adheres to its own model of “interactions between society and state” based on deep-rooted Chinese cultural tendency in favor of social cohesion over social conflicts.

The People’s Republic of China is essentially a country for ordinary people, i.e. a society where commoners feel more at home and grounded with ease. What distinguishes China from the West is the fact that the Western states are generally established by the rich, while the People’s Republic is created by the poor and by people from very humble background. This difference still leaves its imprint on today’s West and China. For the Western countries, once their nation-states took shape, the rich remodeled the society on their norms and values and on their sense of the rule of law. Their states do have their own advantages like rule of law and a touch of aristocratic elegance and sometimes to the degree of arrogance, but its defects are also increasingly apparent: fossilized social

structure, low social cohesion, rising crime rate, lack of social vitality and dynamism and greater difficulty in competing with China.

China as a common folks' society stems from China's long historical traditions as well. In China's long past, more specifically, during the Spring–Autumn and Warring States period (770–221 BC), when peasants rose up against bad emperors who had been deemed to have lost the mandate of heaven, they shouted the slogan: "there are no born emperors or princes under the sun" and "Everyone can be made a good emperor like Emperors Yao and Shun". This entrenched belief in equality may explain why most Chinese accept more readily than other nations the ideal of socialism as it is essentially a doctrine about equality.

As acknowledged by many historians, China was brought into a more equal society in the Song Dynasty (AD 960–1279) when social strata were reshuffled after major aristocratic families from the Han Dynasty (AD 202 to 220 BC) to the Tang Dynasty (AD 618–907) were virtually wiped out in the aftermath of incessant wars prior to the establishment of the Song. More importantly, the imperial system of civil service examination grew to maturity by the Song and became virtually the exclusive channel to enter public service. Chinese scholar Qian Mu insightfully commented, "China's most significant social change took place in the Song Dynasty: prior to the Song, China could be viewed as an ancient state, but with the Song came a new era. Furthermore, prior to the Qin Dynasty (221–207 BC), China had been a feudal society. From the Southern and Northern Dynasties (AD 420–589) down to the Sui Dynasty (AD 581–618), the social buildup could be defined as a society where the noble and privileged prevailed. Since the Song, Chinese society became more equalitarian, with the only exception when the Mongolians and Manchus ruled over China in the Yuan Dynasty (1206–1368) and the Qing Dynasty (1644–1911), and the ruling ethnic minority became a class of the privileged elites. Yet even during the Yuan and the Qing dynasties, most officials still rose from humble background through the *Keju* exams. It was true to claim that by the Song, politics, economy, social life all changed a great deal, comparing with previous dynasties.[28]

A society of ordinary people distinguishes China from the West. In Great Britain, for example, people's class identities are easily betrayed by the newspapers they read. It's literally a world of difference whether one reads *The Times* or *The Sun*. In China, however, everyone, be a taxi driver

or a minister of the State Council, reads *Reference News* or the *Global Times*. The pros and cons of this kind of society are clear, the pros being full of opportunities for moving upward, and full of dynamism, while the cons being a little bit dazzling and even occasionally chaotic. No other nation has ever experienced such a pace of change in terms of living standards and social status. An example to illustrate this point is the speed with which big-item consumer goods became household items in China all within a decade, from refrigerator, color TV to car and property (if it could be regarded as a household item). Why so fast? Culturally speaking, this strong sense of equality and "follow the herd" mentality drove people to purchase what his or her neighbors have purchased, and the difference exists, but it should not be too conspicuous.

Lately, the phenomenon of Chinese "*dama*" (meaning aunt or grandma, a little bit analogous to Susan Boyle) has surprised many. In an average Chinese family, *dama*, usually an aunt aged over 50 (thanks to the socialist pension system, the retirement age for most women are 50–55 in China), handles money and wealth of the household (thanks to socialism's liberation of women). They display inexhaustible energy and vigor in China's social life. They channel the household savings into the market (thanks to China's secular culture): buying real estate, playing on the stock market and the international gold market by pitting themselves against the Wall Street, and organizing family tours of Hong Kong and Taiwan, and then of Europe and America. So impressive are their participation in the global market activities that the word "*dama*" has fast entered the English financial glossaries.

For a society of ordinary people, whatever high-end in the West becomes ordinary in China: court dances from the West are turned into popular square dances visible everywhere in Chinese cities; Western classical music into folk melodies; Western stave into simplified musical notation in numbers. The Western media claim that China has no freedom of speech, yet any taxi driver in Beijing will share with you his thoughts on the latest developments in the Political Bureau. Such a society may be less refined, with rustic this-worldliness, but it is never short of dynamism, possibility and excitement. It may appear a little bit confusing or even occasionally chaotic, but it is actually very orderly in its own way.

But the Chinese have higher expectations for their society. They are not satisfied simply with a dynamic society, and they want to go further to

make it more refined and orderly. Thus judged, the Chinese society has a lot to be desired. It still lacks necessary civic order in certain aspects of the society. After all, virtually half of the Chinese living in Chinese towns and cities today are urban dwellers for the first time over the past two decades, jaywalking and jumping the queues and hectic driving are indeed eyesores in many Chinese cities.

One should not be pessimistic about China's civil order, and it will take time to develop proper social behaviors. Virtually, all major countries in the world have gone through this kind of stage in their process of modernization. At a more fundamental level, Chinese demonstrate certain prized attributes such as hard-working ethics, strong desire for success, importance attached to education, peace and non-violence. These attributes explain well why China as a country can rise so fast and why most Chinese have prospered so quickly. Wherever you go in China, it is overwhelmingly safe, not because China is a police state. On the contrary, China's police force is much smaller with much more self-restraint than its American counterpart. It is the entrenched cultural preference for peace and non-violence that helps create a very safe country.

The present Chinese society does need more civic culture, more order and more rule of law. Since the 1840s, chaos, wars, aggressions and huge sums of war indemnities reduced China to extreme poverty. For much of the past two centuries, most Chinese were simply struggling every day for mere subsistence, without the luxury to cultivate civic culture. When the country was defeated in the Sino-Japanese War of 1894–1895, Japan extorted an indemnity of 230 million taels of silver, roughly equivalent to 3 years' national revenue of the then Chinese government. When the Eight-power Allied Forces attacked China in 1900, China was again forced to pay 450 million taels of silver as war indemnities. As of then, China fell into abject poverty, which in turn triggered famines and continuous chaos of long duration. Furthermore, the Cultural Revolution in the 1960s started to glorify the culture of the poor and condemned everything graceful, orderly and elegant as feudal or bourgeois until 1976.

Construction of a more orderly society with civic culture entails time, and China's effort in this regard has started across the country. In retrospect, China's social development has gone through two stages: first, *xuezhong songtan*, or "offering fuel on snowy days", i.e. trying its best to meet the basic needs of most people. Now this stage has been completed, and China

has entered the second stage, i.e. *jinshang tianhua* or “adding flowers to the brocade” or make things better and more refined. Indeed, China has condensed the Western process of industrialization of the past two centuries into two to three decades, and this is by no means easy, and problems abound, but it is also true that China is in a better position than ever to improve the quality of its civic culture. It is reasonable to expect that two to three decades from now, a society with better civic culture will emerge. If China can overtake the West and the Western model in so many “hardware” areas, China shall also be able to catch up in “software” areas. After all, this is a nation with a great tradition of respecting order, harmony and courtesy, and it is necessary for China to revive these values and combine them with whatever good from other civilizations. In this context, the Chinese dream of a better society will come true, and the Chinese society will evolve into a dynamic, warming and refined one in the decades to come. Importantly, according to a 2014 international poll conducted by the Washington-based Pew Research Center, 87% of the Chinese were “satisfied” or “very satisfied” with the direction in which their country was moving. In other words, the Chinese sense of optimism is widely shared in China today, which promises well for this great nation and great society.

5.4 Overtaking: Some Ideas and Practices

China’s success over the past three decades is inseparable from the organic combination of the three factors: Chinese cultural heritages, socialist traditions as well as useful elements from the West and other civilizations. In this context, I would like to share four observations concerning how to catch up and overtake the West and the Western model.

First, *minben zhuyi* (民本主义) or simply *minben* (民本), i.e. the belief that “the people are the foundation of the state, and when the foundation is stable, the country is peaceful”. This is a well-tested idea in China’s long history which represents the Chinese perception of what constitutes the essence of good governance. It was also the main reason why China had been ahead of Europe for much of the past two millennia. Why is *minben* a better idea than many foreign ideas? From a Chinese point of view, it is first of all rooted in the Chinese civilization and Chinese culture. Historically, the concept of the mandate of heaven was essentially about *minben*, or to

what extent, the government could meet the pressing needs of the people. If the government failed to do so, then the foundation of the state would be shaken and the emperor would lose his mandate of heaven.

The idea of *minben* is now also part of China's socialist tradition. Throughout the reform process, the ideas of "achieving moderate prosperity", "following the mass line" and "building a well-off society in an all-round way" are reflections of *minben*. A major reason for China's dramatic rise over the past three decades is that the government has given top priority to meeting the pressing needs of the Chinese people, notably the improvement of people's living standards.

Moreover, *minben* is also very modern. A modern state should give top priority to improving people's livelihood in all dimensions, both in material and spiritual sense. The Western model in non-Western states tends to fail mainly because this model is unable to deliver what most people want, especially in terms of improved living standards. In fact, the West itself is now faced with the same dilemma. People's living standards in most Western countries have stagnated, if not lowered, over the past 20 or so years. In this sense, the famous quote from Bill Clinton may well be relevant: "It's the economy, stupid!" Most people in the world, like Chinese, care about jobs, salary, health care, education, street safety and other "livelihood" issues, and they are resentful of their politicians' empty promises and political infighting.

In this sense, as I have argued earlier, the paradigm of "democracy vs. autocracy" should be replaced by that of "good governance vs. bad governance". Why? Because in the paradigm of democracy vs. autocracy, what constitutes democracy is defined by the West, which assumes democracy is good, but one can find failures of democracy everywhere. In other words, this paradigm cannot reflect the world as it is, and if the world has to be analyzed in a simplified dichotamic way, it has to be good governance vs. bad governance, and good governance can take the form of the Western political model, and it can also take the form of the non-Western model. Likewise, bad governance can be of the Western model, as in the cases of Iraq, Haiti, Greece and Iceland or the non-Western political model.

What is good governance then? Essentially, it should be defined by the people of a country other than by a small number of countries with inclinations to meddle in others' internal affairs. Ordinary people in most

countries know what good governance is by their common sense assessment. Most would regard the improvement of their livelihood as a key tenor of good governance, which finds expression in the Chinese concept of *minben*. In this context, the idea of *minben* will have lasting international appeal, especially with the success of the China model in eradicating poverty and creating the world's largest middle class.

One may even argue that the idea of *minben* reveals a simple yet profound truth: whatever political system, its quintessential task should be to give top priority to meeting the needs of the people. If there were a competition between the Western democracy model and the Chinese *minben* model, my preliminary conclusion is that the China model may have already won. The Western model seems to be prevailing in international political rhetoric, but for most people worldwide, including those in the West, a good model must be the one that delivers tangible benefits to the people.

In short, the idea of *minben* conforms not only to the Chinese political tradition, but also to a general perception of what constitutes the essence of good governance in the world. This Chinese idea and its related practices will continue to facilitate China's efforts in overtaking the West in more areas, and they will inspire more countries to draw on their own traditions and values in order to better achieve their own objectives of prosperity and justice.

The second idea and practice can be called "getting organized". China is a super-large country with vast territory and large population. Vast territory defies easy governance while large population means relative scarcity of resources, especially in per capita terms. A civilizational state is "hundreds of states amalgamated into one", where internal diversities are unmatched elsewhere. Without knowing this, one will not be able to understand the ABCs of Chinese politics.

One may draw a comparison between China and the United States. In the second half of the 18th century when the United States was founded, it had a population of around three million. When it defeated Mexico and annexed California in 1848, its population increased to over 20 million, as contrast to China's nearly 400 million then, or 20 times more than the United States. At that time, both countries were pre-industrial societies where land was the most valued asset. It was reasonable to claim, at least

from the Chinese perspective, that virtually all European descendents in the Americas were big landlords by Chinese standards.

The abundance of land and other resources was a major reason why a mentality of focusing on rights and freedoms took shape in the new continent. In contrast, resource-scarce situation shaped the Chinese mentality generally in favor of balancing rights and responsibility as well as encouraging accommodation and harmony of diverse interests.

American settlers came to the new continent to free themselves from religious persecutions in the old continent. As a result, many of them have all along viewed the state as “a necessary evil”. In China, resource-scarce situation has cultivated a different mentality, one that trusts a relatively impartial institution (a government made up of people selected through public examinations) to make fair judgment on distribution of scare resource. In this context, China has evolved its own tradition of meritocracy-based state, which was generally regarded as “a necessary virtue”. Resource-scarce also instilled a fear of *luan* or chaos and disorder in the collective psyche of the Chinese people, which is still the case now.

However, the scarcity of resources is not all that bad. For one thing, it helped China develop a hard-working ethic, and one has to work hard in order to excel in this extremely competitive society. Chinese have also developed its own sophisticated way of living under such conditions. For instance, most Chinese immigrants tend to find life in the West too lonely or even boring. Another example is the richness and diversity of Chinese food, with hundreds of schools of cuisine, of which eight main ones like the Cantonese and the Sichuanese are the most popular. This richness and diversity are the result of countless food innovations partly driven by resource scarcity in China’s long history.

Household-based subsistence economy was the hallmark of the Chinese economy for a long time. Hence the country was sometimes called “a heap of loose sand”, meaning that it lacked a sense of common national solidarity. True, Confucianism was in favor of “family and country in one”, but China did not have for long institutional structure to fully realize this idea. This was the context in which China was defeated again and again by Western powers in the second half of the 19th century when a pre-modern state made up of “a heap of loose sand” proved no match for modernized Western nation-states. This situation began to change when the CCP mobilized and organized the grassroots peasants into a powerful

revolutionary force against the Japanese invaders and the Kuomintang (KMT) regime. With the formation of the new type of nation-state under the leadership of the CCP, China began to rise rapidly, and today it has become a super-large modern state, economically, socially and politically, with all its diverse traditions and cultural heritages.

However, all this does not mean that China has once and for all addressed the issue of “a heap of loose sand”. Experience has shown that China may again be mired in chaos once the state fails to take up its responsibility for the country and its people. My experience at the World Expo held in Shanghai in 2010 was revealing. During my three visits to the Expo, I found two tell-tale details, one being the impressively clean toilets and the other the frustrating sight at the taxi stand in the evening. Despite the hundreds of thousands of visitors a day, all the toilets in the Expo Park were kept clean thanks to the efficient organizing work by the host. It was indeed top-notch in cleanliness, considering the huge number of visitors every day to the World Expo.

But when night fell, I came out to take a taxi a bit over 9 pm and I found a situation of “chaos” at the taxi station because the staff members were off-duty by then. I saw only 20 or so passengers standing there, but no one was waiting in line. Every time a taxi was driving near, everyone rushed towards it. The two anecdotes seem to suggest that China and Chinese, once organized in a certain way, is able to perform miracles and win out in international competition. But without some way of getting organized, things can turn out chaotic.

To my mind, “getting organized” can be a governmental act or nongovernmental one, a formal act or informal one, long-term act or provisional one; it can be political, economic or social; it can also be self-organized individual or institutional actions or organized state actions. So long as some basic order and norms can be established and maintained, which is what I mean by “getting organized”, Chinese will be able to pull their wisdoms and energies together and produce miracles for themselves and for the world.

The more I travel around the world, the more I feel that each nation has its own relative strengths and weaknesses, or to borrow the concept of David Ricardo, the 18th century British economist, each nation has its own “comparative advantages”, and he argued that if nations focus on producing goods of their respective comparative advantages and exchange these goods

with each other, then all the nations will benefit. I am not for or against this argument, but only to borrow the concept to present a view that due to different cultural traditions and other factors, each nation has evolved its comparative advantages in the political domain as well, i.e. in certain aspects, they can perform better than others. In a world full of political competition, it is necessary for a nation to be aware of and give play to its comparative advantages, and this is the best way to succeed in the global competition in the political domain.

For instance, from my observation, the Anglo-Saxons seem better at "self-governing" from below than many other people. If a few dozen Anglo-Saxons are present in a place, they start to form some kind of autonomous associations, in which they elect their leaders. In contrast, this self-governing from below does not seem to be the strength of most Chinese, who seem to prefer to trust a neutral and tested third party to get things done, and this third party could, depending on the circumstance, a property management company as is the case with most Chinese residential quarters, or simply government and its agencies or other credible third party institutions. In short, it's all about "getting organized".

In this context, Britons and Americans seem to be more confident of and skilled at elections which highlight their "comparative advantages", but the Chinese trust far more in the selection of talents and competent leaders based on performances. To this author, in China's political competition with the West, notably the United States, China should not abandon its comparative advantages. On the contrary, it should give full play to it while assimilating whatever is good from other countries.

To compete with the West in terms of elections, China may not succeed in the coming 100 years, and China has experimented village-level elections over the past two decades, but the result so far is very discouraging: briberies, mafias and kinship nominations are commonplace. But if China competes with the West in terms of selecting talented and competent officials, including top leaders, based on meritocracy, China has already done much better than the West and this trend should continue.

Furthermore, the Chinese meritocracy model today has already contained useful elements from the West, and it is a model of "selection plus election", in which "selection" is from the Chinese tradition while "election" from the West. This Chinese institutional innovation has

apparently produced better results than the Western institution of relying solely on elections.

Looking back over the past six decades, how many twists and turns China has waded through? Many had thought that China could not get through the disastrous “Great Leap Forward” or “Cultural Revolution” or the endemic poverty across the country or the short-lived price reform of the 1980s or the state-owned enterprise restructuring or the reforms of tax system and banking sector or the changes brought about to China with its WTO membership or the impact of the 1997 financial crisis or the pandemic disease SARS, and so on and so forth. Yet, China has got through all these with stunning success. How has China made it? To my mind, “getting organized” is the key to overcoming these challenges.

The Western business community seems to be more favorably impressed by the organizing capacity of the CCP. In a 2012 *Financial Times* survey of CEOs of transnational corporations on their perception of competence, they gave the following ranking: their own competence was ranked No. 1, the central bank and the CCP, respectively No. 2 and No. 3. The CCP reached 64% of confidence vote as compared with the President of the United States (33%) and the US Congress (5%).[29]

The third idea and practice can be called “comprehensive and integrative innovation”. A study of the histories of China and Europe reveals the fact that European history witnessed centuries of religious wars, with their lingering implications till today. For instance, the conflicts between the Orthodox Eastern Church and Catholicism still impact the Ukrainian crisis up to now, including Crimea’s declaration of independence in 2014.

In contrast, Confucianism, Taoism and Buddhism were mutually interactive with and inclusive of each other over China’s long past, and the synthesized nature of Chinese culture allowed China to be virtually free from religious wars that had traumatized Europe for so long. In a broader perspective, the most important “comparative advantage” of the Chinese culture may well be its synthesizing capacity for integrating useful elements from other cultures.

With the advent of the modern age, there came the tendency toward “division” in the West and then spread across the world: growing divisions of labor and disciplines as well as growing detachment of politics from the economy. After modernization was largely completed in the West, the

Western political system became to a great extent detached from the economy as if the state and its leaders had nothing to do with a country's economic development. On the other hand, one witnesses an integrative process unfolding in the post-modern eras. The wave of internationalization and globalization seems to bring back the need for synthesis and integration worldwide. The revolutionary change in communication technology has drastically cut down the cost of synthesis and integration, and the idea of a global village is increasingly coming true with the advent of "big data" and globalization. In fact, natural science has also evolved from being more analytical to increasingly syncretic or both.

Chinese preference for comprehensive integration originates from China's long tradition of learning from others, the essence of which is well embodied in the teachings of Confucius and other ancient sages, such as "Everyone has his merits and demerits." "One always has something to learn from those who keep your company". "Modesty brings gains while haughtiness yields loss," and "Rare jade might be found in the ordinary stone". Historically, China had learnt a lot from other civilizations, for example, *erhu* (or the Chinese violin) imported from Central Asia has become one of the main Chinese musical instruments, *ping pang* (or table tennis) invented by Britons has become China's national sport, to such an extent that people has already forgotten its British origin, and socialism, an idea conceived in the West, has been adopted by China and adapted to China's national conditions. Since the founding of the New China, China has drawn on the strength of others, including ideas and practices from the Soviet Union and Western countries. With the further deepening of reform and opening up, China has selectively learned many things from other countries, in vast areas from finance to education to economic development. However, what's more significant is that in this process, China has adhered to the approach of "comprehensive and integrative innovation" rather than blind copying.

A good example of this approach is the success of China's high-speed rail project. In *The China Wave*, I have summarized the Chinese "comprehensive and innovative innovation" this way: China attracted foreign investors with its huge domestic market, and negotiated with them to transfer part of their technologies. China then organized more than 100,000 researchers and engineers to study and master the imported technologies in a comprehensive and integrative way, and on this basis

China innovated and developed China's own technological standards higher than the imported ones. In a broader context, this approach also reflects an overall philosophical thinking, i.e. to learn from the strengths of others in a comprehensive way, while giving play to China's own strengths, and with this kind of comprehensive and integrative approach, China strives to do better than the West and the Western model, and this trend may continue into the future.

In a broad context, many of the greatest successes China has made over the past three decades are essentially comprehensive and integrative innovations. Politically, China has incorporated "selection" with "election" (from the West). In the social sector, China has rejected the Western model of confrontation between state and society. Instead, it has put into practice a comprehensive and integrative approach to social governance, promoting extensive social dialogues, and establishing a positive interaction between society and state. Economically, China has adopted the socialist market economy, a mixed economy that combines the "invisible hand" with the "visible hand", the market with the planning as well as the state sector with private sector. Though the system still leaves much to be desired, it has displayed a unique competitive edge and contributed to the rapid growth of China's economy and improvement of people's living standards. All this reminds one of Chairman Mao's famous saying, "Making the past serve the present, making foreign things serve China". In other words, renaissance of the Chinese nation is the "end" while all things useful from the past, from home and abroad can be used to serve this objective.

The fourth is the "combination of the best options and the least bad options". Winston Churchill famously said that democracy is "the worst form of government except for all those other forms that have been tried from time to time", which is often rendered into Chinese as *xiaxiace* or the least bad option. What distinguishes China from the West, however, is that Chinese Confucian tradition also strives for the best options, i.e. to select the best possible leaders based on meritocracy.

What Churchill said is not unreasonable because the Western democracy has its "least bad" arrangement with which an incompetent leader, at least, in theory could be thrown out of office by voters, and no one would stay in power like Mubarak in Egypt for decades. So far China has developed its own political institutional arrangements that have combined the least bad option in this sense and the best option. More

specifically, there are clear term of office for top leaders (two terms, each 5 years), mandatory retirement age (absent in many Western countries) and collective leadership (generally absent in the West). But at the same time, the efforts to seek the best option have never ceased in order to find leaders of the highest caliber and integrity. To become one of the seven top leaders in China (members of the Standing Committee of the CCP Political Bureau), one has to complete two terms of office as a top leader of a province, which means he or she will have the prior experience of governing at least 100 million people and should have performed well with diverse responsibilities throughout his or her political career of at least three decades.

In fact, this approach of combining the best and the least bad options is also applicable to other aspects of China's governance. For instance, debate has been going on over the relationship between "rule of law" and "rule of virtues", and the latter is an entrenched Chinese idea. To this author, "rule of law" may be treated as the least bad option, and "rule of virtues" as the best option, and the two options should be combined to build a better governed and more dynamic country than the West. In the West, "rule of law" is viewed as the cornerstone for the state and society, and China is also moving in the direction of "rule of law". Some critiques of China have described China as a lawless country or a country based on "rule of men", rather than "rule of law", and this assessment is untenable. For one thing, China is now the world's largest real estate market, and China has attracted more foreign direct investment than any other countries for many years. Without rule of law, how this can happen? It is only fair to say that China's effort in promoting "rule of law" has scored great success, but China can and should do better, and the county still faces laxity in law enforcement and has a long way before it reaches its own objective of "rule of law".

Yet we should also be aware that rule of law, understood mechanically, has its pitfalls. For instance, changes in real life often develop much faster than the codification of laws. When legislation lags, wrongful acts get away with impunity. This is even truer of China, as it is a super-large country undergoing unprecedented changes in human history.

In this context, "rule of virtues" or rule through moral education is indispensable to make up for what is deficient in "rule of law". "Rule of virtues", very much part of Confucian traditions, constitutes the highest level of social governance since it starts with appealing to the innermost

feeling of man for justice. This best and ideal option should be combined with “rule of law” option as the least bad option. In a society where virtues and morality are prized and internalized by people, its governance will be of low cost and its happiness feeling higher. But reality has taught us that a society governed merely by law or moral codes will fail to function normally. “Rule of law” alone cannot ensure a wholesome society when loopholes of legal system may be manipulated by some people to the determent of the larger interest of the society. Likewise, a society based solely on moral codes without rule of law will inevitably experience disorder and chaos.

In our effort to build a society based on rule of law and rule of virtues, we should endeavor to avert the mishaps of many Western countries. For one thing, in many of these countries, “rule of law” has become “rule of lawyers”, with excessive litigation culture, and lawyers have become a huge interest group, and governance has thus become extremely costly. “Rule of lawyers” also implies that the rich can afford better legal service with better chance to win their cases, which is grossly unfair for the society as a whole.

In politics, there is also a difference between what Chinese political scientist Wang Shaoguang calls “form of governance” vs. “*Tao* of governance”. “Form of governance” refers to political procedures and institutions like multi-party system or one-person-one-vote. In the West, “form of governance” is always given top priority, from which emerges the paradigm of so-called “democracy vs. autocracy”. In contrast, the Chinese traditional discourse focused on “*Tao* of governance”, or substance and objectives of governance. Chinese from ancient times believed that “*Tao* of governance” is the essence of good governance. Once the *Tao* is agreed upon, then various forms can be employed to realize the *Tao*, whether it’s hands-off governance, rites of governance, local gentry governance and the list goes on.[30]

This difference between China and the West might have stemmed from the huge difference of the size of their countries. For example, as most city-states in ancient Greece only had a comparable population of Chinese villages or small towns, certain forms of governance would probably suffice to address people’s various concerns. A country with a vast land and large population, China was rarely wedded to a certain political form, and its focus was always placed on the substance and objectives of governance, from which evolve various specific forms of governance.

This is equally true of the evolution of China's present political institutional arrangements: the *Tao* of governance clearly presides over the evolution of the form of governance, whether it is the system of the people's congress, the political consultative conference or the united front and more. In many ways, "form of governance" can be considered as the least bad "option", while the *Tao* of governance the best "option". Good governance calls for the combination of both "options". In its endeavor to overtake the West and the Western model, China will continue to prioritize the *Tao* of governance while exploring the best and ideal forms of governance along the way. This is also the reason why and how China has become one of the few countries capable of keeping on reforming and improving itself while many other countries fall into what may be called the "form trap" or "procedural trap" which apparently besets the Western political model now.

The three criteria for assessing the quality of a political system set out by Deng Xiaoping also perfectly illustrates this combination. They start with the substance and objectives of governance: (i) whether a country is politically stable (ii) whether its people are united with their livelihood improved and (iii) whether its productivity is sustainable. Proceeding from the *Tao* of governance, China has explored specific forms of governance ranging from collective leadership, performance-based meritocracy to neo-democratic centralism and consultative democracy. In contrast, most Western countries still adhere to its rigid form of governance, with few real reforms feasible at a time when reforms are most needed in the West, and the real reformers usually end up losing elections. The Chinese proceed from the *Tao* of governance or the objective for good governance and keep on exploring diverse forms of governance appropriate for achieving the *Tao*, and this approach has a bright future.

---

[1] John M. Hobson, *The Eastern Origins of Western Civilisation*, Cambridge University Press, Cambridge, 2004, p. 1.

[2] Martin Bernal, *Black Athena, the Afroasiatic Roots of Classical Civilization: Volume 1, the Fabrication of Ancient Greece 1785–1985*, Rutgers University Press, New Brunswick, NJ, 1987, pp. 22–37.

[3] *Ibid*. p. 8.

[4] Ali Mazrui, *World Culture and the Black Experience*, University of Washington Press, Seattle, 1974, pp. 38–81.

[5] John Campbell and Philip Sherrard, 'The Greeks and the West', in Raghavan Iyer (ed.), *The Glass Curtain between Asia and Europe*, Oxford University Press, London, 1965, p. 71.

[6] Martin Bernal, *Black Athena, the Afroasiatic Roots of Classical Civilization: Volume 1, the Fabrication of Ancient Greece 1785–1985*, Rutgers University Press, New Brunswick, NJ, 1987, p. 189.

[7] John M. Hobson, *The Eastern Origins of Western Civilization*, Cambridge University Press, London, 2004, p. 174.

[8] Qian Mu, *Zhongguo lidai zhengzhi deshi* (Political Gains and Losses in Chinese Dynastic History), Jiuzhou Press, Beijing, 2012, pp. 6–7.

[9] Quoted in Hanshu Dong Zhongshu Zhuan (*The Book of Han: Biography of Tung Chung-shu*).

[10] Francis Fukuyama, *the Origins of Political Order : From Prehuman Times to the French Revolution*, Profile Books, London, 2011, p. 19.

[11] John M. Hobson, *The Eastern Origins of Western Civilization*, Cambridge University Press, London, 2004, p. 38.

[12] Jared Diamond, *Guns, Germs, and Steel: The Fates of Human Societies*, W. W. Norton & Company, New York and London, 1999, p. 253.

[13] Quoted in Anthony Pagden, *The Enlightenment and Why it still Matters*, Random House, New York, 2013, p. 275.

[14] Gavin Menzies, *1421: The Year China Discovered the World*, Bantam Books, London, 2002, p. 62.

[15] Zhu Qianzhi, *Zhongguo zhexue dui ouzhou de yingxiang* (Influence of the Chinese Philosophy on Europe), Hebei People's Press, Shijiazhuang, 1999, p. 4.

[16] Maurice Collis, *Marco Polo Collier's Encyclopedia*, Vol. 15, p. 383.

[17] Quoted in the Chinese edition of *The Complete Works of Karl Marx and Frederick Engels*, Vol. 47, People's Press, Beijing, 1979, p. 427.

[18] Quoted in Han Yuhai, *Wubainianlai shuizhushi* (Who Writes History over the Past 500 Years) Jiuzhou Publishing House, Beijing, 2010, p. 85.

[19] See Anthony Pagden, *The Enlightenment and Why it still Matters*, Random House, New York, 2013, pp. 272–273.

[20] Alexis de Tocqueville, *The Old Regime and the Revolution*, Vol. 1, translated by Alan S. Kahan, The University of Chicago Press, Chicago and London, 1998, p. 213.

[21] Joseph Needham, *Science and Civilisation in China*, Vol. 1, Introductory Orientations, Cambridge University Press, Cambridge, 1988, p. 240.

[22] Zhao Dingxin, "天命观及政绩合法性在古代和当代中国的体现" (The Mandate of Heaven and Performance-based Legitimacy in Ancient and Contemporary China), 《经济社会体制比较》, (*Journal of Comparative Economic and Social Systems*), 1(2012).

[23] Quoted in Zhao Dingxin.

[24] John Micklethwait and Adrian Wooldridge, *The Fourth Revolution: The Global Race to Reinvent the State*, Allen Lane, London, 2014, p. 34.

[25] Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy*, Princeton University Press, Princeton, 2000, and Andre G. Frank, *Reorient: Global Economy in the Asian Age*, University of California Press, Berkeley, 1998. A good summary of their

views in Chinese is contained in Han Yuehai's *Wubainianlai Shuizhushi* (Who Wrote History over the Past 500 Years), pp. 138–198.

[26] Helmut Schmidt's interview with Market Watch, see http://www.guancha.cn/europe/2013_12_25_195146.shtml.

[27] 李光耀：中国不会成为自由民主国家 (Lee Kuan Yew: China will not become a liberal democracy), http://www.guancha.cn/politics/2013_02_20_127430.shtml.

[28] Qian Mu, quoted in *Songshi Yanjiuji* (The Series of Studies on the History of the Song Dynasty), Vol. 7, Taiwan Book Co. Ltd., Taipei: 1974, p. 2.

[29] Quoted in Huanqiushibao (*The Global Times*), May 21, 2012.

[30] Wang Shaoguang, *Zhongguode zhiguolinian yu zhengdao siwei chuantong* (The Chinese Idea of State Governance and the Tradition of Tao of Governance), in Ma Ya, *Daoluzixin zhongguoweishenme neng* (Confidence in the Chinese Path: Why China Can Make it), Beijing Union Publishing House, Beijing, pp. 325–328.

CONCLUSION

THE LOGIC OF A CIVILIZATIONAL STATE

The China Ripple, *The China Wave* and *The China Horizon* are my reflections on China's rise, the China model as well as the Chinese political discourse over a period of 20 or so years. This Trilogy, I hope, will be able to live up to the expectations of most of my readers.

In this section, the last book of the Trilogy, I would like to recapture the main ideas that I have developed in the three books. For one thing, this summary may help readers acquire an overall picture of my thinking on China's rise, the China model and the Chinese political discourse, while for another, it is hoped that my ideas will inspire more people to make their intellectual contributions to this end.

Concerning China's rise, my primary viewpoint is that the rise of China is that of a civilizational state, and it is the world's longest continuous civilization amalgamated with a huge modern state. This civilizational state has at least eight features, namely, a super-large population, a super-vast territory, super-long traditions, super-rich culture, a unique language, unique politics, a unique society and a unique economy, or simply the "four supers" and "four uniques", each of which combines elements from the Chinese civilization and those of a modern state. A civilizational state

boasts super-rich historical and cultural heritages that enable it to evolve and develop along its own logic, rather than following the suit of other countries or copying the Western model.

The rise of a civilizational state is unprecedented in human history, and it will inevitably impact the future trajectory of the international order. To better understand China's rise, it is essential to look at China more objectively and in fresh perspectives.

First, it is necessary to apply the concept of "regional groups" and "interactions between regional groups". Today's China is made up of two regional groups, one being that of "quasi-developed countries" or the "developed regions" with a population the size of the United States, and the other the regional group of "emerging economies" or the "emerging regions". The two regional groups are engaged in highly dynamic and complementary interactions, and this is the secret of China's fast rise over the past three decades.

Second, it is advisable to understand the size of China's economy in terms of purchasing power parity (PPP). Based on PPP assessment, China' economy is already the world's largest by 2014. If based on the official exchange rate, China's overall GDP is likely to surpass the US within a decade.

Third, it is highly relevant to gauge the wealth of the Chinese people by assessing their net household assets. Over the past three decades, most Chinese have experienced a wealth revolution. In this respect, the Chinese Dream is already more exciting than the American Dream. If one takes into consideration the above three angles in whatever rankings of China or Chinese people's living standards, China's status will change dramatically.

China's achievements should also be analyzed in a global comparative context. Over the past three decades or more, by my estimate, China's achievements are greater than the combined achievements of other developing countries or other transitional economies. Furthermore, China has also outperformed many Western countries in many areas. True, China is still faced with its own deficiencies like corruption, environmental degradation and economic inequality, yet vertical and horizontal comparisons with other countries will enable one to draw a more prudent and sensible conclusion and acquire greater confidence in tackling all the challenges ahead.

With respect to the China model, Deng Xiaoping used the concept many times. Narrowly, it refers to China's own set of ideas, practices and approaches. In a broad sense, it is similar to the idea of the Chinese Path (*zhongguo daolu*), both referring to China's ideas, practices, approaches and institutional arrangements for China's development.

This model has, *inter alia*, eight features, namely, practice-based reasoning, a relatively neutral and strong state, prioritizing stability, primacy of people's livelihood, gradual reform, correct priorities and sequence, a mixed economy and opening up to the outside world.

The China model parallels with China's reform model, which may be called a "moderate model (large-scale economic reform with moderate political reform)", while most other transitional economies (notably, Eastern Europe and the ex-Soviet Union) adopted the "radical model (radical political and economic transformation or shock therapy)" and Cuba the "conservative model (limited economic reforms without political reform". In hindsight, the China model has obviously performed better than the other two models.

Behind what shapes the China model is the nature of China as a civilizational state, namely, the amalgamation of the world's longest continuous civilization with a super-large modern state characterized by the "four supers" (population, territory, tradition and culture). The "four supers" have constituted the basic reality of China and has, to a great extent, determined the trajectory of China's development and the China model. Over the past three decades, deviations from the China model have occasionally been tried, yet in the end, China still has to follow the trajectory of the China model. This is perhaps due to the "genetics" of a civilizational state. Once out of tune with its "genetics", China will suffer setbacks and failures in its development. To be sure, the China model has its share of problems, but its overall success is beyond doubt, and its performance dwarfs that of most countries, especially those non-Western countries that have copied the Western model. Having taken shape in the process of fierce global competition, the China model is rather dynamic and competitive.

Under the China model, the "four supers" of the civilizational state (population, territory, tradition and culture) all constitute China's greatest strengths. China has the richest human resources and the largest consumer market; China has an unparalleled geopolitical and geoeconomic status;

China has its own tradition of independent thinking, and has the richest cultural resources in the world. However, if China abandons its own model and adopts the Western model, then the greatest strengths of China as a civilizational state may turn out to be its greatest weaknesses. “Hundreds of states in one” may become “hundreds of states in conflict”; its emphasis on harmonious politics may become adversary politics; its huge population a rich source of contentions, and its unified vast territory split and disintegrated, and its diverse traditions the pretexts for endless disputes and its cultural richness source for cultural clashes. And the dream of the China’s renaissance will perish.

As for China’s institutional arrangements, I summarize them into “one state and four arrangements”. “One state” refers to China as a civilizational state. “Four arrangements” are the following institutional arrangements: in terms of political party system, the CCP can be described as a “state party” or “holistic interest party”, differing from that of the West as it, by its constitution and practices, represents or tries its best to represent the overall interests of the Chinese people. In fact, there is nothing extraordinary about this: if political parties in the West openly represent a particular interest group and compete with each other for power in general elections, the ruling party of a civilizational state, as the case with the CCP, follows China’s own political tradition of over 2,000 years that the country is in most cases governed under one united ruling entity. A civilizational state best distinguishes itself as “hundreds of states in one” and tends to fall into chaos and disintegration if the ruling entity fails to represent the interests of the majority. China tried the Western political model following the 1911 Republic Revolution and ended in warlords fighting each other, each supported by certain external powers, plunging the country into a state of wars and abject poverty.

In terms of democratic system, China practices consultative democracy, including the institutionalized neo-democratic centralism in decision-making. In organizational structure, China adopts performance-based meritocracy. As for the economy, China’s “socialist market economy” is essentially a “mixed economy”. In these institutional arrangements, the “genes” of the Chinese civilization and socialism as well as useful elements from the Western and other civilizations have been to a great extent organically integrated, which underlines China’s enormous success. All

these constitute a solid institutional foundation for China's catching-up with and moving beyond the West and the Western model.

Politically, China will improve further its governance system, notably striving to achieve a first-class mechanism of talent selection, a first-class institution of democratic supervision and a first-class system of extensive democratic consultation. It is true that the Chinese political system has its weaknesses like all other political systems, but the system is on the whole healthy and adapted to China's political traditions and supported by most Chinese, and it is not afraid of competition with other political systems, including the Western one. China welcomes competition between different political systems.

A good institutional arrangement for a modern state should strike a balance between political power, social power and capital power to act in favor of the overall interests of its people. China should prevent a situation from emerging, where capital power overrides political and social powers, which has caused the American Dream to lose its shine over the past two decades. In the China model, the three powers have so far reached a broad equilibrium in the interest of most Chinese, if not all, and it is particularly true that a relatively neutral and strong political power plays a guiding and regulating role while simultaneously constrained by social and capital powers. This fact underscores China's achievements and explains why China's transformation has been largely smooth and the Chinese Dream remains exciting and promising for most Chinese. If the present institutional arrangements of China and the US continue in their current state, the Chinese Dream should have a much brighter prospect than the American one.

In the Trilogy, I have discussed at length the Chinese political discourse. In my understanding, the real rise of a country calls for a concurrent rise of its own political discourse. Confidence in one's own way of development and political system will ultimately find expression in one's political discourse. I have all along maintained that China should endeavor to establish a comprehensive, vigorous, thorough and international discourse. I have summarized the main Chinese ideas that have shaped China's dramatic rise as follows: seeking truth from facts, primacy of people's livelihood, holistic thinking, government as a necessary virtue, importance of good governance, winning the hearts and minds of the people, meritocracy, selective learning from others and constant adaptation, harmony in diversity

and moderation. Moreover, I have elaborated on certain ideas and their related practices in relation to surpassing the West and moving beyond the Western model, namely, the idea of *minben*, "getting organized", "comprehensive and integrative innovation" and "combining the best and the least bad options".

I have outlined some key ideas in the Chinese political discourse. First, a new paradigm of "good governance vs. bad governance" should replace the outdated paradigm of "democracy vs. autocracy" as the former interprets today's complex world far more objectively and accurately than the latter.

Second, a distinction between *minyi* (public opinion) and *minxin* (hearts and minds of the people) is crucial for good governance. As the Chinese saying goes, "public opinions are like water flowing and changing all the time" but the "hearts and minds of the people are as important as heaven". In today's political language, "the hearts and minds of the people" constitute the overall and fundamental interests of a nation and therefore should be the priority in good governance.

Third, China's "selection plus election" model is on the whole better at producing competent leaders than the Western model of relying solely on election.

Fourth, if the Western democracy is described by many as "the least bad", then the China model of development is the "least bad model". Far from perfect, yet it delivers more tangible benefits to the people. But the China model can and should do even better.

Fifth, non-Western developing countries following the Western political model usually end up in two scenarios: from euphoria to disillusion or from euphoria to anarchy.

In a broader perspective, this Trilogy of mine are all attempts to build up the Chinese discourse. In my discussion of China's rise, the China model and the Chinese discourse, I have posed quite a few questions on the Western model and the Western discourse. I have argued that China should neither look up to the West, nor look down on it, but look at it squarely in an objective manner and see its strengths as well as its weaknesses. With regard to the realities of Western countries, I have emphasized that there is a huge "third world" within the Western countries. Furthermore, the Western political system has its serious flaws. For instance, the American democracy has been kidnapped by various well-organized and mobilized

interest groups. The checks and balances of the American political system operate only within the political domain, beyond which the powerful capital power seems to generate an overwhelming influence over political and social powers. The three operating hypotheses underpinning Western democracy (“rational human being assumption”, “absolute rights”, “procedural righteousness”) may well be its three genetic flaws.

My suggestion is that we should evaluate the Western political regime and its major flaws through the prism of Chinese standards and discourse. In this context, such defects are reflected in the “five syndromes”, i.e. lacking (i) the spirit of “seeking truth from facts”; (ii) a mechanism for “meritocracy”; (iii) competence for good governance; (iv) an overall balancing ability and (v) long-term planning capability. If the West fails to address these problems, its decline may well speed up.

The Western perceptions on human rights face at least three challenges: first, there is an imbalance between civic and political rights on the one hand, and economic, social and cultural rights on the other, with the former being given far more priority; second, only judiciable rights are considered as human rights, without due consideration to promoting human rights through political means, without which, developing countries, which are generally short of lawyers and legal service, face difficulty in realizing human rights and third, there is a huge clash between individual rights and collective rights.

Over the past three decades, the West has made many wrong forecasts about China. The root cause for this is its deeply entrenched cultural and ideological bias, especially Eurocentrism and sense of supposedly superior Western civilization and the “end of history” mentality. To deconstruct this kind of Western discourse, I have summarized the findings and conclusions by many scholars from China and overseas. To begin with, China was ahead of the West for most of the past two millennia. Second, one of the key drivers of the European renaissance in the 16th century was from the East. Third, China was one major source of ideas for the European Enlightenment in the 17th and 18th centuries. Fourth, some of the core concepts and institutional arrangements in the West today, such as “laissez-faire” and “civil service system” originated in China. Eurocentrism and the supposedly “superiority of the Western civilization” are simply untenable.

However imperfect the China model is, it is dynamic and competitive, and the practice of “selection plus election” is more competitive than that of

popular election; governance based on *minxin* is more competitive than the one on *minyi*; a society solely relying on the market may not be able to compete with the model of a mixed economy; a system fixated on the "forms of government" may lose out in competition with the one centering on combining the *Tao* of governance" and forms of governance; and a community prioritizing individual interests may not be as good as a society that unites personal interests and collective interests.

As a civilizational state, China has its share of glory for its time-honored culture and history as well as for its remarkable achievements in modernization. China has for long cherished the dream of returning to the preeminent status it once enjoyed in the past. China has a strong tradition of "family and country in one", and a strong sense of having a duty to contribute more to the well-being of mankind.

With China becoming the world's largest economy and performing better than many Western countries in more and more areas, China's "socialism with Chinese characteristics" may eventually become the world's mainstream socialism, China's socialist market economy may be recognized as one of the most competitive development model, and Chinese society may become a more dynamic, refined and orderly society.

China is undergoing the most extensive and profound transformations ever seen in human history and has achieved significant progress in exploring what may be called the next generation of political, economic and social systems. It will continue to draw on positive experience from other countries, while keeping its own cultural and national identity.

Where is China from? What path does it take? And where will it go? As the world's second largest economy, China has to respond to all these pressing questions now. If China answers them correctly, China's future will be very bright, and if it answers them wrongly, it may end up in failure. Over the years, influenced by Eurocentrism and the "end of history" thesis, some Chinese and many Westerners are only capable of interpreting China's development in the logic of moving from "totalitarianism" to "authoritarianism" to "democratization". However, this logic does not fit China at all, and it has led to a miserable record of wrong predictions about China's future.

A civilizational state has its own logic of development. Historically, China was ahead of the West during much of the past two millennia. There were good reasons for this, and these reasons may be called "Reasons I".

The 18th century began to see China falling behind the West when it missed out the Industrial Revolution, from which China surely has lessons to draw. However, China is now catching-up fast and outdoing the West and the Western model in more and more areas. There are good reasons for this, and these reasons can be called “Reasons II”. What’s more important is the fact that Reasons II and Reasons I are essentially consistent and coherent, and this is the logic of the rise of a civilizational state.

China’s present institutional arrangements are “three in one” in essence, i.e. they have incorporated the traditional genes and socialist genes as well as useful elements from the Western and other civilizations, and it is in this sense that China’s institutional arrangements have laid a good foundation for China to do better than the West and Western model in the years to come.

Philosophically, the logic of a civilizational state and that of the “end of history” thesis stand poles apart. The “end of history” thesis holds that society evolves in a unilinear way and will eventually reach the level of the Western model. In contrast, a civilizational state evolves on the idea that societies evolve in their own logic, which is invariably plural in nature, and in the process of evolution, different models learn from each other or compete with each other or both. Throughout the history of mankind, this is the norm and the world has been evolving and changing in this dynamic way.

As stated in the preface of this book, China’s extraordinary rise is in many ways rooted in its treasured cultural traditions, especially the teachings and the wisdoms of China’s ancient sages such as Confucius, Mencius, Lao Tze, Zhuangzi, Mozi, Xunzi and Sunzi; China’s rise is inseparable from the fact that the country has gained its national independence and full sovereignty after sacrificing tens of millions of lives, and this rise is also achieved on the basis of extensive and comprehensive interactions with the outside world and other civilizations. China’s rise is thus unique, moving beyond the West and the Western model, not only in terms of wealth generation, but also ideas and institutional arrangements. With its unique horizon for the future, China and its rise are likely to impact the future trajectory of the world order.

It can perhaps be said that the very titles of the Trilogy, namely, *The China Ripple*, *The China Wave* and *The China Horizon* have shown the logic of the rise of China as a civilizational state: from the ripple effect on

others to the wave impact on the rest of the world to a new horizon of the Chinese dream to outperform other models. China may experience more challenges in the future, but the country is in a better position than ever to overcome them, as China has indeed found its way to success, and China is on the right track of history!

INDEX

1 + 1 > 2, 17

A
Abroad, 5
Agricultural societies, 131
Alger, Horatio, 37
Al-Qaeda, 110
American capital power, 73
American democracy, 43, 72
American Dream, 31, 36, 38, 41, 72–73, 161
    medical insurance, 33
    social protection, 35
    The Emperor's New Clothes, 32
American model, 139
American pension system, 37
American political power, 73
American political system, 39, 50
American Public Policy Institute, 34
American-style democracy, 114
American syndrome, 35
America's GDP, 37
America's median real income, 37
America's "polarized" politics, 43
Ancient China, 121
Ancient Greece, 118, 121
Ancient Roman Empire, 101, 121
Ancient Rome, 118, 121
Annenberg Estate, 8

Arab Spring, 41, 108–110, 113–114
Arab Winter, 41
Aryan model, 119–120
Asia Barometer, 79
Asian Infrastructure Investment Bank (AIIB), 139
Athens, 45
Autocracy, 47
Autocratic China, 118
Average level of global domestic consumption, 19
  China, 19
  developed countries, 19
  India, 19

B
Bad governance, 145
Balance between political power, social power and capital power, 161
Barlett, Donald, 36
BBC, 92
Beidou Navigation Satellite System, 136
Beijing, 3
Belgium, 43, 50
Benevolence, 104
Berlin, 89
Bernal, Martin, 119
Better society, 143
Brain drain, 6
Brain gain, 6
Brantner, Franziska, 106
British Industrial Revolution, 132
Bronzeware, 126
Buddhism, 124, 150
Buneger, Karl, 130
Bush, George, 10, 12, 85, 105
  human rights, 105

C
4G communication technology standards, 24
Calamities, 130
California, 8
Campbell, John, 120
Capital and social powers, 78
Capital inflow, 6
Capitalism, 80
Capital outflow, 6
Capital–output ratio, 22
Caplan, Bryan, 53
Casino capitalism, 139
Centralized, meritocratic and impersonal government, 122
Chicago, 11–12
Chicago–China Friendship Program, 12
Chile, 96

China model, 1, 5, 53, 62, 66, 90–91, 97, 102–103, 108, 138–139, 157–159, 161
China model of development, 18
China outperforms the United States, 138
China's automobile consumption, 20
China's capital-to-output ratio, 21
China's cultural renaissance, 100
China's cultural traditions, 78
China's currency shortfalls, 132
China's domestic savings, 22
China's economic and social reforms, 70
China's economy, 17, 158
China's GDP, 26
China's high-income group, 20
China's high-speed rail project, 151
China's horizon, 137
China's institutional arrangements, 78
China's internal decay, 133
China's meritocracy system, 83, 88
China's path dependency in development, 102
China's pension system, 34
China's political power, 74, 78
China's political system, 18, 25
China's public and local debts, 22
China's recent history, 92
China's rise, 1, 3, 5, 97–98, 157–158, 162
China's secular culture, 118
China's socialist market economy, 138
China's socialist tradition, 78, 81
China's social power, 74
China's success, 144
China's urban household net assets, 27
Chinaware, 126
Chinese civilization, 78, 157
Chinese Communist Party (CCP), 18, 81, 139, 160
Chinese Confucian tradition, 152
Chinese cuisine, 101
Chinese cultural heritages, 144
Chinese culture, 124, 144
Chinese culture values, 70
Chinese discourse, 89–90
Chinese dream, 36–37, 75, 134–135, 137, 143
Chinese economy, 11, 23
Chinese food, 147
Chinese heroism, 136
Chinese household finance, 27
Chinese household net assets, 27
Chinese *minben* model, 145
Chinese model, 137
Chinese narrative, 90
Chinese path, 65

Chinese political discourse, 138, 157, 162
Chinese political philosophy, 130
Chinese political system, 79
Chinese population, 17
Chinese Report, 27
Chinese rural household assets, 27
Chinese socialism, 137–138
Chinese students, 6
Chinese-style socialism, 11
Chinese tradition of political governance, 81
Chinese urban household median net assets, 28
Christian Europe, 118
Christian reaction, 120
Churchill, Winston, 86, 152
  democracy, 152
Civic culture, 143
Civilization, 134
Civilizational state, 70, 76, 79, 87–88, 97, 100–102, 136, 146, 157, 159–160, 165–166
  four supers, 77
  four uniques, 77
  super-large population, 77
  super-long traditions, 77
  super-rich culture, 77
  super-vast territory, 77
  unique economy, 77
  unique language, 77
  unique politics, 77
  unique society, 77
Civilizational State, 75
Civilizing, 120
Civil order, 142
Civil servant system, 69
Civil service examination, 140
Civil service examination system, 131
Civil service system, 163
Classic of Poetry, 136
Class identities, 141
Clinton, Bill, 145
CNN, 92
Co-existence, 124
Colis, Maurice, 127
Color revolution, 41, 96, 98, 110, 114
Combining the best and the least bad options, 162
Combining the “invisible hand” with the “visible hand”, 138
Comparative advantage, 149–150
Comparison between the rise of China and that of Britain, 100
Competence, 130
Competent leadership, 86
Competitive strength, 88
Comprehensive and innovative innovation, 151

Comprehensive and integrative innovation, 150, 162
Comprehensive competitive power, 25
Comprehensive industrial ecosystem, 24
Comprehensive integration, 151
Comprehensively well-off society, 5
Confucian, 124
Confucianism, 124, 131, 150
Confucius, 98
Constitutionalism, 135
Consultative democracy, 81, 83, 88, 138
Contemporary China, 117
Contrast between ancient China, Greece and Rome, 121
Cook, Harold, 127
Correct priorities and sequence, 159
Corruption 2.0, 39–40
Cuba's conservative reform model, 69
Cultural borrowing, 124
Cultural preference for peace, 143
Cultural Revolution, 75
Cultural values, 136

D
Daley, Richard, 12
Dalian, 3
Dama, 141
Dangan, 70
Dark Ages, 121, 124
Debt crisis, 3, 52
Decision-making institution, 83
Decision-making process, 138
Delft, Royal, 117
Democracy, 6, 104, 106, 109, 115
Democracy fundamentalism, 41, 102
Democracy vs. autocracy, 89, 103, 138, 145, 162
Democratic supervision, 161
Democratic wave, 110
Deng Xiaoping, 50, 57, 59–60, 80, 84, 92, 103, 111, 113, 155, 158
  1992 southern inspection talk, 58
  abolishing leaders' life-long tenure system, 67
  China's relative strengths, 62
  China's socialist economy, 61
  Chinese approach to development and modernization, 63
  Chinese revolution, 63
  democracy romanticism, 59
  emancipate the mind, 103
  five-year plans, 67
  foreign capital, 61
  market romanticism, 59
  rejecting dogmatism and respecting innovations from the people, 59
  southern inspection talk, 60

Soviet model, 60
strategic thinker, 58
three criteria for assessing the quality of a political system, 111
three-step development strategy, 58
Deutschland, 128
Developed nations, 3
Developed regions, 158
Development administration, 139
Die Zeit, 17
Dong Zhongshu, 122
Dutch East Indian Company, 117
Dyer, Gwynne, 124
Dynastic politics, 47
Dysfunctional democracy, 45

E
Eastern Europe, 61
Eastern learning moving westward, 118
Eastern Roman Empire, 121
Economic crisis, 3, 52
Economic dependence on foreign trade, 21
Egypt, 41, 110, 119
Egyptian colonization, 120
Egypt Spring, 99
Egypt Winter, 99
Eight features, 157, 159
Election politics, 46
Electoral democracy, 88
Emerging economies, 158
Emerging regions, 158
Emigration, 1–3, 5–7
End of history, 119, 165
Equality, 140
Equal society, 140
Eurocentralism, 122
Eurocentric and authoritarian, 129
Eurocentric narrative, 118
Eurocentrism, 118–119
Europe, 1, 7, 118
European civilization, 118–120
European cuisine, 8
European Enlightenment, 163
European identity, 119
European Renaissance, 118, 121
European Union, 43
Europe eventually overtake China, 132

F
Finance, 132
Financial crisis, 3, 34, 37, 42, 52, 139
Financial system, 43

First-class system of extensive democratic consultation, 161
First world, 3
Five-year plan, 82, 139
Forbes magazine, 26
Forbidden City, 136
Foreign exchange reserves, 22
Form of governance, 154
Forms of government, 164
Fortress phenomenon, 5
Four arrangements, 160
Four institutional arrangements, 88
Four supers, 101–102, 157, 159
  super-large population, 101
  super-long traditions, 101
  super-rich culture, 101
  super-vast territory, 101
Four uniques, 157
France, 4, 8
Freedom, 104, 131
Freedom of speech, 75
Friedman, Thomas, 3–4
From euphoria to anarchy, 52
From euphoria to despair, 52
From the people, to the people, 54, 82
Fukuyama, Francis, 43, 52, 71, 91, 103, 108, 122

G

Gap between rich and poor, 36
Garbage crisis, 4
GDP, 16, 19, 25, 138, 158
  Chinese economy, 25
GDP per capita, 112
Genetic defects, 52
Genetics of a civilizational state, 159
Georgia, 113
Getting organized, 146, 148, 162
Glendon, Ann Mary, 55
Global Attitudes, 38
Globalization, 5
Global Times, 141
Go abroad, 2
Going abroad students, 6–7
Golden Age of Three Emperors, 128
Good governance, 86, 144–146, 163
Good governance vs. bad governance, 103, 138, 145, 162
Governance paralysis, 43
Governance quality, 99
Governance system, 161
Government debts, 22
Gowan, Richard, 106

Gradual reform, 159
Grand reform, 98
Grassroots governance, 131
Great Wall, 136
Greece, 47–48
Greek, 4
    Greek government's competence, 4
Greek civilization, 119
Greek syndrome, 35
Guesnay, Francois, 128
Gulin sceneries, 136
Guojia, 135

H

Hainan Island, 8
Haiti, 96
Han dynasty, 87
Hardware, 17, 143
Harmonious cosmos, 5
Harmony, 104
Harmony in diversity, 124
Hegel, G. W. F., 129
High-speed train, 12, 136
Hitler, Adolf, 53
HMO, 33
Hobson, John, 120, 124
Holistic interest party, 78
Holistic vision and strategic planning, 49
Home ownership, 7
Hongqiao Airport, 2
Household-based subsistence economy, 147
Household net assets, 138
Huawei, 13
Hukou, 69
Humanistic sentiments, 136
Human rights, 104, 106–107, 163
Human rights dialogue, 94
Human rights prevailing over sovereignty, 108
Hume, David, 102

I

Iceland, 43
Imperial civil examination system, 84
Imperial system, 140
Inclusiveness, 136
Individual responsibilities, 54
Individual rights, 54
Individual shareholders, 139
Industrial capability, 23, 132
Industrialization, 5
Industrial Revolution, 30, 118

Institutional arrangement, 87, 131, 160–161, 165
Institutional innovation, 149
Institutionalized democratic consultations, 138
Interactions between society and State, 140
International Lab Association, 29
International poll, 144
Investment in China, 21
Investments, 12
Invisible hand, 86, 91
“Invisible hand” with the “visible hand”, 152
Iraq War, 94
Islamic Bridge, 121
Islamic states, 124
Islamic world, 124
Italian, 4
Italy, 48

J
Japan, 6, 43
Jim Yong Kim, 15
Johnston, Cay David, 41
Justin Lin, 22, 40

K
Keju, 141
Keju system, 131
King Joseph of Austria, 129
King Louis XV of France, 129
Kongtan wuguo, 50

L
Lao Tse, 128
Lee Kuan Yew, 136
Legitimacy, 86
Leibniz, 127–128
Lenovo, 13
Liberal democracies, 115
Libya, 41
Life expectancy, 17
Li, Jingping, 10
Lincoln, Abraham, 86
Li Peng, 8, 10–11
Liu Xiaobo, 106
Li Xiaopeng, 29
    China’s R&D investments, 29
Li Xiannian, 8–10
    China’s economic development, 8
Livelihood issues, 145
Lobbying groups, 40
Lobbyists, 42
London, 8

Long-term planning capability, 163
Lyrics of the Song Dynasty, 136

M
Maddison, Angus, 26
Mahbubani, Kishore, 25, 44
Main features of the China model, 102
Mandarin Chinese, 136
Manufacturing power, 24
Mao Zedong, 80, 88, 122, 137, 152
Marco Polo, 126
Market fundamentalism, 41, 102
Marketization reform, 34
Marseille, 4
Marx, Karl, 127
Mazrui, Ali, 120
McClain, John, 43
Medical insurance, 32
Medical school, 2
Menzies, Gavin, 125–126
Meritocracy, 83, 130, 138, 149, 161, 163
Meritocracy-based state, 147
Meritocracy system, 84
Meritocratic mechanism, 47
Micklethwait, John, 40, 132
Middle class, 6, 14, 18, 103
Military expansions, 132
Military power, 132
Minben, 130, 144–146, 162
Minxin, 138
Minyi, 162
Mirabeau, 128
Mixed economy, 76, 86–87, 160
Moderate mode, 159
Modernity, 117
Modernization, 5
Monetalkracy, 42, 48, 73, 88, 105
Mongolia, 127
Montesquieu, 129
Moral hazards, 39
Mugabe, Robert, 57
Multi-party democracy, 83
Multi-party system, 47
Myanmar, 98

N
Nanchang, 136
Naples, 4
Nationalism, 135
Nature, 30
Needham, Joseph, 122, 130

Neo-democratic centralism, 82, 138
Net household assets, 158
Net median household assets, 26
Newark Airport, 2
New Orleans, 4, 96
New York, 2, 8
New York Times, 3, 85
Nobel Prize, 30
Non-traditional family, 54

O

Obama, Barack, 8, 50
Occupy Wall Street, 2
One-party system, 78, 97
One-person-one-vote, 47, 51
One state and four arrangements, 160
Online shopping, 20
On Salt and Iron, 87
Opening up, 98
Opera, 136
Operas of the Yuan Dynasty, 136
Orange Revolution, 111
Organizational competence, 132
Organization of Economic
Cooperation and Development (OECD), 28
Oriental despotism, 129
Oriental society, 118
Osborne, George, 24
Overall balancing ability, 163
Overcoming bad-mouthing, 92
Overcoming bullying [the 1949 revolution], 92
Overcoming starvation, 92
Oxford University China Center, 97

P

Pan Wei, 65
Partial interest party, 80
Party's political education, 2
Patriotic, 1–2, 8, 135–136
Peace, 133
Pension system, 32
People's power, 96–97
People's satisfaction, 138
Per capita GDP, 17
Performance-based legitimacy, 138
Personal aspirations, 136
Pew Research Center, 38, 79, 144
Phoenicia, 119
Poetry of the Tang Dynasty, 136
Political action committees (PACs), 45
Political Bureau, 142

Political party system, 160
Political rationalization, 71
Political tradition, 160
Pomeranz, Kenneth, 132
Population, 5–6
Porcelains, 118
Poverty eradication, 14–15, 102, 104
Poverty line, 15
PPO, 33
Practice-based reasoning, 102, 159
Pre-Qin Era, 136
Primacy of people's livelihood, 102, 159
Prioritizing stability, 159
Private firms, 139
Procedural accountability, 82
Procedural democracy, 79
Procedural justice, 56
Procedural legitimacy, 104
Pro-West, 112
Pro-West groups, 112
Public administration, 139
Public intellectuals, 5
  innumerable rosy and shinning stories about the United States, 5
Public medical insurance, 32
Purchasing power parity (PPP), 26, 158
Putin, Vladimir, 92, 108

Q
Qian Mu, 121, 140
Qian Zhongshu, 5
  GDP, 20
  income, 20
Qilou, 136
Qin Dynasty, 87, 122, 129
Qin Huohuo, 95
Qin Shihuang, 121
Quasi-developed countries, 158
Quesney, 128
Qu Yuan, 136

R
1911 Republic Revolution, 78, 114, 160
Racism, 119
Radical reform model, 69
Rational voters, 53
Reagan, Ronald, 10
Real household income at median level, 36
Reference News, 141
Reforms, 3
Regional groups, 158
Relatively neutral and strong state, 159

Renben jingji, 87
Renminbi, 134
Republican Party, 46
Reserve Board, 26
Responsibility, 104
Returning students, 6
Ricardo, David, 148
Rights are absolute, 55
Ringen, Stein, 44, 56
rise of China, 166
rise of the West, 133, 135
Rising materialism, 100
Romances of the Ming and Qing dynasties, 136
Roman civilization, 120
Roman Empire, 121, 124
Romantic Hellenism, 120
Rose Revolution, 113
Roubini, Nouriel, 18
Rule of law, 153–154
Rule of lawyers, 154
Rule of virtues, 153

S

4G standards, 13
Saakashvili, Mikheil, 113
savages, barbarians and civilized, 129
Scare resource, 147
Schmidt, Helmut, 134
Schuman, Michael, 49
Science and technological innovations, 28
Scientific rationality, 119
Secular state, 117
Seeking truth from facts, 48, 102, 163
Selection plus election, 138, 162, 164
Selection + (some forms of) election, 85
Selection with election, 152
Shanghai, 3, 8, 18
    taxis drivers, 18
Shanghai's Pudong Airport, 2
Shelley, 98
Shenzhou manned spaceship, 136
Sherrard, Philip, 120
Shi, Zhengfu, 20–21, 88
    consumption, 20
    GDP, 20
Shock therapy, 102
Showbiz democracy, 47, 88
Shrinkage of Americans' wealth, 34
Sichuan earthquake, 96
Siheyuan, 136

Silk, 126
Silk Roads Funds, 139
Sino-foreign exchanges, 7
Sino-US exchanges, 13
Sino-US relations, 11, 13–14
Six claims, 114
  China model, 115
  Common sense, 114
  competition, 115
  empirical evidence, 114
  minyi vs. *minxin*, 116
  performance, 115
Socialism, 80, 140
Socialism with Chinese characteristics, 64, 164
Socialist genes, 165
Socialist market economy, 16, 91, 139, 160
Socialist tradition, 88, 144
Social protection, 32, 138–139
Society vs. state, 139
Software, 17, 143
Song dynasty, 77, 140
Songs of Chu, 136
Spinoza, Baruch, 117
State-owned enterprises, 139
State party, 78
Statistics about China's foreign exchange, 6
Steele, James, 36
Stiglitz, Joseph, 37, 99
Strategic central leadership, 88
Street safety, 4, 35
Study and implementation, 83
Success in satisfying the citizenry, 86
Sui Dynasty, 131
Super-large population, 87, 157
Super-long traditions, 157
Super-rich culture, 157
Super-vast territory, 87, 157
Sustainable development, 5
Suzhou, 7
Switzerland, 7

T

Taiwan, 6, 83
  population, 7
Taoism, 124, 150
Tao of governance, 154–155, 164
Tatlow, Didi, 89
Technology transfer, 12
  US restrictions, 12
Terra Cotta Warriors, 136

Textile and papermaking technologies, 126
The Betrayal of the American Dream, 36, 38
The China Horizon, 157, 166
The China Ripple, 7, 35, 157, 166
The China Wave, 3, 16, 39, 76, 151, 157, 166
The Economist, 42, 45
The Enlightenment, 119
The Fourth Revolution, 40
The Joy Luck Club, 54
The mandate of heaven, 130
Theocracy, 117
The Origins of Political Order, 122
The West, 1–2, 4, 6, 139
Third world, 4
Third world areas, 3–4
Three big items, 99
Three networks, 25
Three-phase modernization strategy, 80, 84
Three powers, 72–73
  political, social and capital, 41
Tocqueville, Alexis de, 129
Top-level decisions, 83
Traditional Chinese culture, 70, 88
Traditional family society, 54
Traditional genes, 165
Treaty of Westphalia, 128
Trial-and-error, 102
Tulip Revolution, 112–113
  Bush, George, 113
  democracy and freedom, 112

U
Ukraine, 41
Ukrainian, 111–112
Ultimate responsibility, 80
Uncontrollable legislation, 55
Unified state with a nation, 121
Unique economy, 157
Unique language, 157
Unique society, 157
Unique politics, 157
United States, 2–3, 5, 7–8, 133, 146
  free medical care, 5
  legal system, 6
  superb social welfare benefits, 5
Universal values, 104–106, 109
Uprising, 136
US, 1, 3
  American Dream, 2
  three worlds, 2

US Federal, 26
US model, 66
US Supreme Court, 43

V
Vetocracy, 43, 72
Visible hand, 86, 91
Voltaire, 125, 128
Voters, 53

W
Walking on two legs, 88
Wan Gang, 24
War, 132
Washington consensus, 87
Wealth accumulation, 8
Wealth expansion, 3
Well-off society, 144
Wenchuan earthquake, 134
Wen Tianxiang, 136
Western civilization, 118
Western democracy, 42, 50, 55, 162
Western democracy model, 145
Western discourse, 89, 119
Western Han Dynasty, 121
Western model, 5, 41, 76, 92, 99, 102–103, 118, 136–137, 145, 157, 159, 162
Western modernity, 117
Western nationalism, 135
Western political model, 114
Western political system, 14, 46, 85, 114
Western propaganda, 93
Western-style democracy, 51, 109
Win–win opportunity, 94
Wolf, Eric, 118
Wolfe, Thomas, 36
Wooldridge, Adrian, 132
World Intellectual Property Organization, 29

X
Xi–Obama summit, 13
Xi Jinping, 8, 11, 66, 85
  China model and the Chinese path, 66
  Sino-US relations, 10

Y
Yangtze River, 136
Yao Yang, 26
Yellow River, 136
Yemen, 41
Yoshihiko Noda, 85
Youguo wumin, 121

Youmin wuguo, 121
Yue Fei, 136

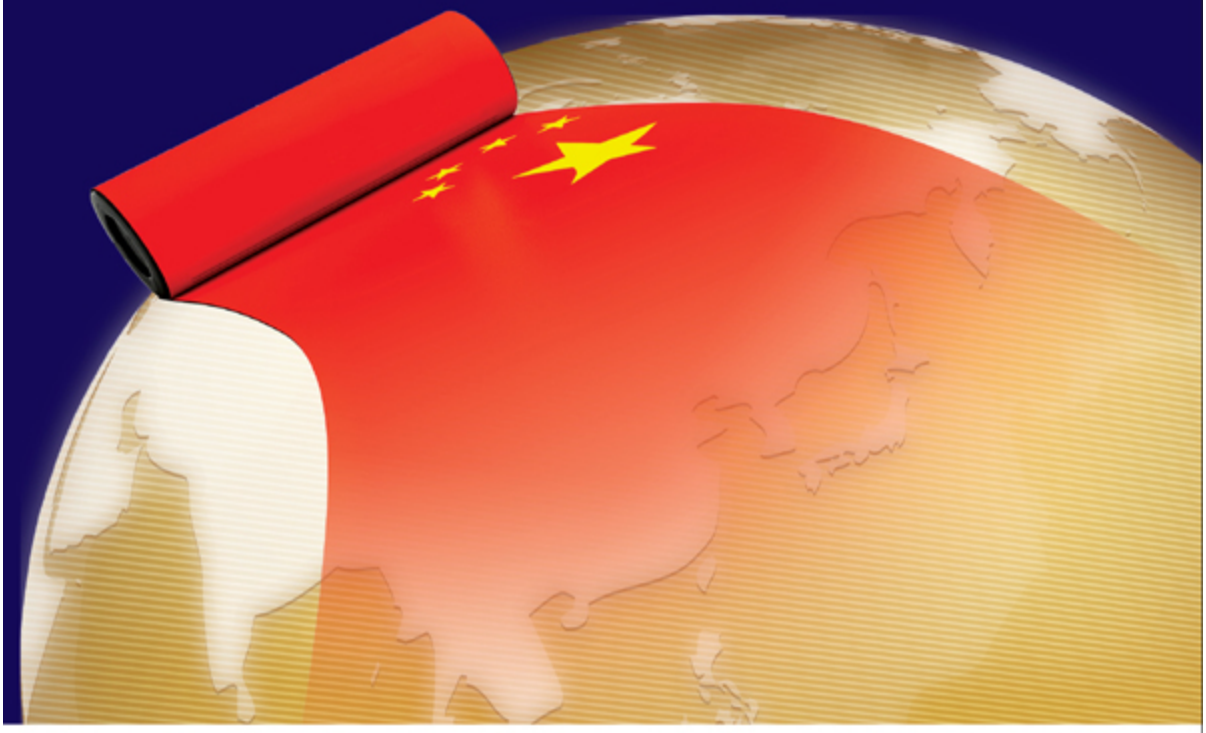
Z

Zakaria, Fareed, 14, 72
    Western democracy, 14
Zero-sum game, 94, 103
Zhang Jun, 20
Zhao Dingxin, 130
Zheng He, 125
Zhongguo daolu, 159
Zhongnanhai, 9
Zhou Enlai, 10
Zhu Qianzhi, 126
ZTE, 29

ZHANG WEIWEI

THE CHINA HORIZON

GLORY AND DREAM OF A CIVILIZATIONAL STATE



World Century